



City Council- Meeting Agenda
September 19, 2023 - 5:30P.M. - Foley City Hall

1. Call the meeting to order.
2. Pledge of Allegiance.
3. Approve the agenda.
4. Consent Agenda
 - Approve payment of North Central Invoice for Police Squad.
5. Mayor's Communications & Open Forum
6. Update on School Resource Officer Legislation
7. Discussion on potential capital projects/growth of the City.
 - Housing Development (locations, cost implications, etc.)
 - Benton County Housing Study
 - Land Use Plan
 - Downtown Redevelopment
 - Industrial Park Infrastructure
 - BDPI Application
 - ARPA Funding (City & County)
 - Discussion on current infrastructure Needs:
 - Broadway/4th Avenue N - Potential 2025 Project
 - Water Treatment/Storage
 - Other - PFAS, etc.
8. Discussion on ordinance amendments as related to future development.
 - Goals
 - Provide more flexibility for mixed use.
 - Smaller footprints/lots, lower costs
9. Discussion on 2024 Budget
 - Comparisons of surrounding city levies.
 - Adopt Resolution #2023-12 Approving Preliminary Levy
10. Other Business
 - a. Pool Manager Update- FYI
 - b. Any other items?
11. Adjourn

North Central DBA RW&B

25112 22nd Ave
Saint Cloud, MN 56301 US
kayla@scipi.org

**INVOICE**

BILL TO
Katie McMillin
Foley Police Department
251 4th Ave N
Foley, MN 56329

SHIP TO
Katie McMillin
Foley Police Department
251 4th Ave N
Foley, MN 56329

INVOICE 1174
DATE 09/11/2023
TERMS Net 30
DUE DATE 10/11/2023

SKU	DESCRIPTION	QTY	RATE	AMOUNT
	2018 Used Ford PIU			
Misc. parts	2018 Used Ford PIU VIN: 1FM5K8AR1JGA73202	1	12,500.00	12,500.00
			0	0
Misc. parts	Misc. parts used stalker radar unit from Benton County Sheriff's Office	1	205.00	205.00
7160-0220	G/J Mongoose, 9" locking slide arm with 360 degree clevis	1	248.89	248.89
Brother PocketJet 8	7138991 - Brother PocketJet 8	1	419.53	419.53
7160-0430	G/J Printer Armrest Vehicle Specific Console	1	320.76	320.76
14331	Car Adapter - wired 14 foot for use with PocketJet 3, 3 Plus, 6, 6 Plus Printers	1	29.50	29.50
USB Type-C Cable	USB Type-C Cable 6.6'	1	10.99	10.99
Department Graphics	Department Graphics, install new Foley PD Graphics at North Central	1	60.00	60.00
Installation - After build	Installation - After build (Install radio, computer dock, computer motion arm, Camera system)	6	125.00	750.00
Install Supply	Installation Supplies - Non-Inventory, Customer Owned Misc.	1	150.00	150.00
SC-920-5 XL #H	SC-920-5 XL #H Universal Rail Rifle / pump shotgun rack with SC-6 lock #H Key.	1	325.16	325.16
Shipping	Shipping of graphics and plates	1	18.00	18.00

Contact RW&B Inc to pay.

SUBTOTAL	15,037.83
TAX	0.00
TOTAL	15,037.83
BALANCE DUE	\$15,037.83



Overview



Legend

-  Parcels
-  Highways
-  County Roads
-  Roads

Parcel ID	130001513	Alternate ID	n/a	Owner Address	TOWNE ESTATE FARM LLC
Sec/Twp/Rng	26-037-029	Class	105 - ACTIVELY FARMING		C/O CONRAD TOWNE
Property Address	709 NORMAN AVEN	Acreage	49.78		PO BOX 753
	FOLEY				FOLEY, MN 56329
District	FOLEY				
Brief Tax Description	Sect-26 Twp-037 Range-029 49.78 AC PART OF E1/2 NW1/4 LESS 26.51 AC				
	(Note: Not to be used on legal documents)				

Date created: 9/20/2021

Last Data Uploaded: 9/20/2021 6:57:33 AM

Developed by  **Schneider**
GEOSPATIAL

[illegible]

being 5 feet in width, unless otherwise indicated, and adjoining lot lines, and 10 feet in width and adjoining right-of-way lines as shown on the plat.

1082.51

that part of the Northwest quarter of Section 26, Township 37, Range 20, Berlon County, Minnesota, described as follows:

Beginning at the Southwest corner of said Northwest Quarter, thence South 49 degrees 37 minutes 30 seconds West, assumed bearing, along the south line of said Northwest Quarter, a distance of 63.01 feet; thence North 01 degrees 31 minutes 12 seconds East, parallel with the east line of said Northwest Quarter a distance of 64.47 feet; thence South 85 degrees 4

[illegible]

In witness whereof said New Life Church of Tokyo aforesaid and proprietor has caused these presents to be signed by the proper officer this _____ day of _____, 20____.

STATE OF MINNESOTA
COUNTY OF _____

Notary Public	County: _____
Notary Signature	Notary Printed Name

Scott: It took her a fairly long time to get this plot was prepared by me or under my direct supervision that I was a fully licensed land surveyor in the State of Minnesota; that this plot was a correct representation of the boundary survey; that all mathematical data and notes were correctly calculated on this plot; that all measurements obtained on this plot were true; or all

dated this _____ day of _____ 20__

DATE OF MINNESOTA COUNTY OF _____

County, Minnesota
County Commissioner
Lorne

Approved by the Reading Committee of the City of Fargo, Minnesota, at a meeting held this _____ day of _____, 20____.

*_____
 Clerk*

Witnessed and accepted by the City Council of the City of Pease, Minnesota, at a meeting held this _____ day of _____, 20____.

Mayor

Attest: Clerk

I certify that the above is a true and correct copy of the original as the same appears in the records of the _____ day of _____, 20____.

delinquent taxes and transfer entered this _____ day of _____, 20____, _____
very truly, their taxes in year _____ on land herein described are paid, this _____ day of _____, 20____.

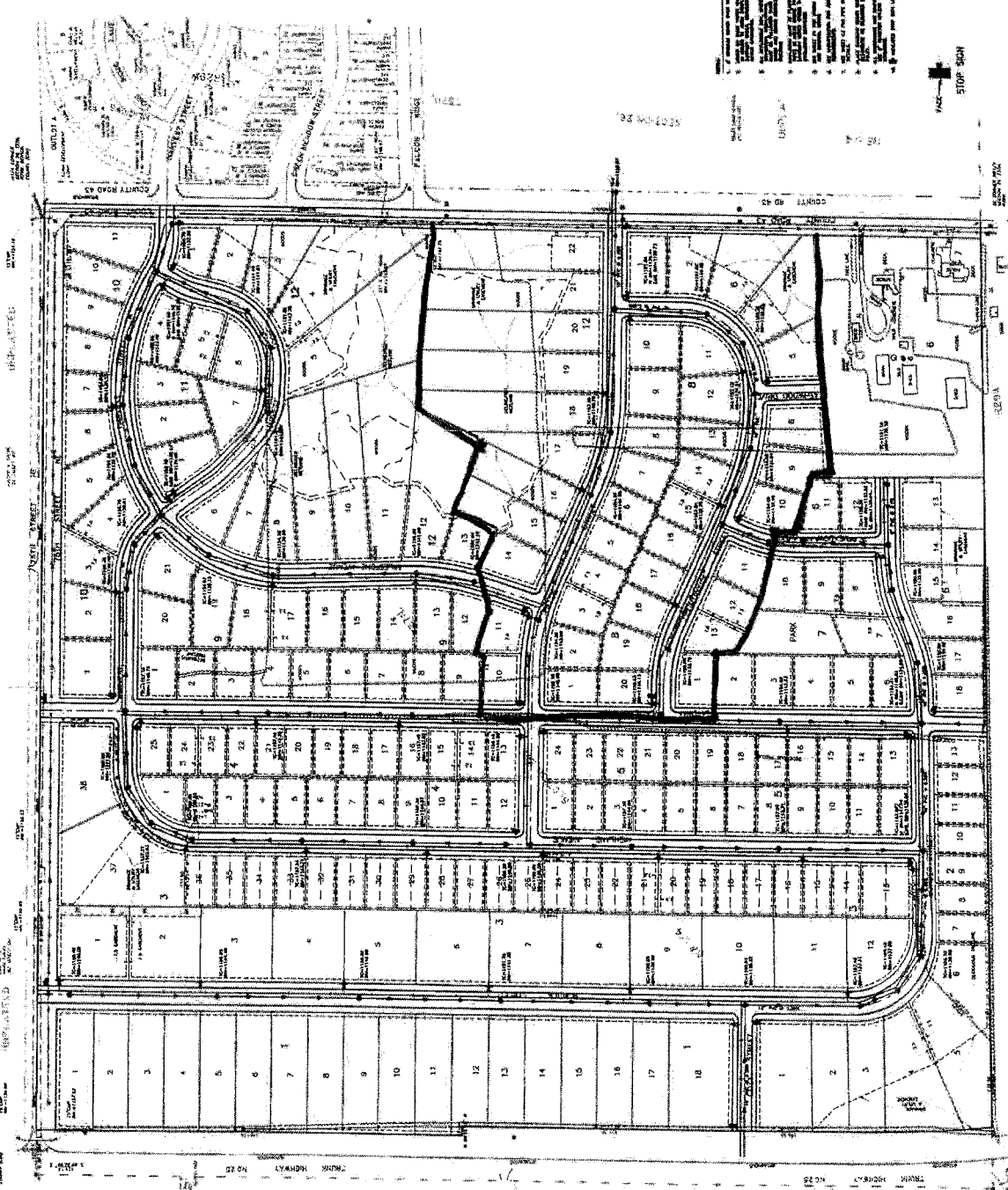
WYOMING COUNTY RECORDS

County Recorder, Benton County, MN

025 19⁺
NO 29
24697

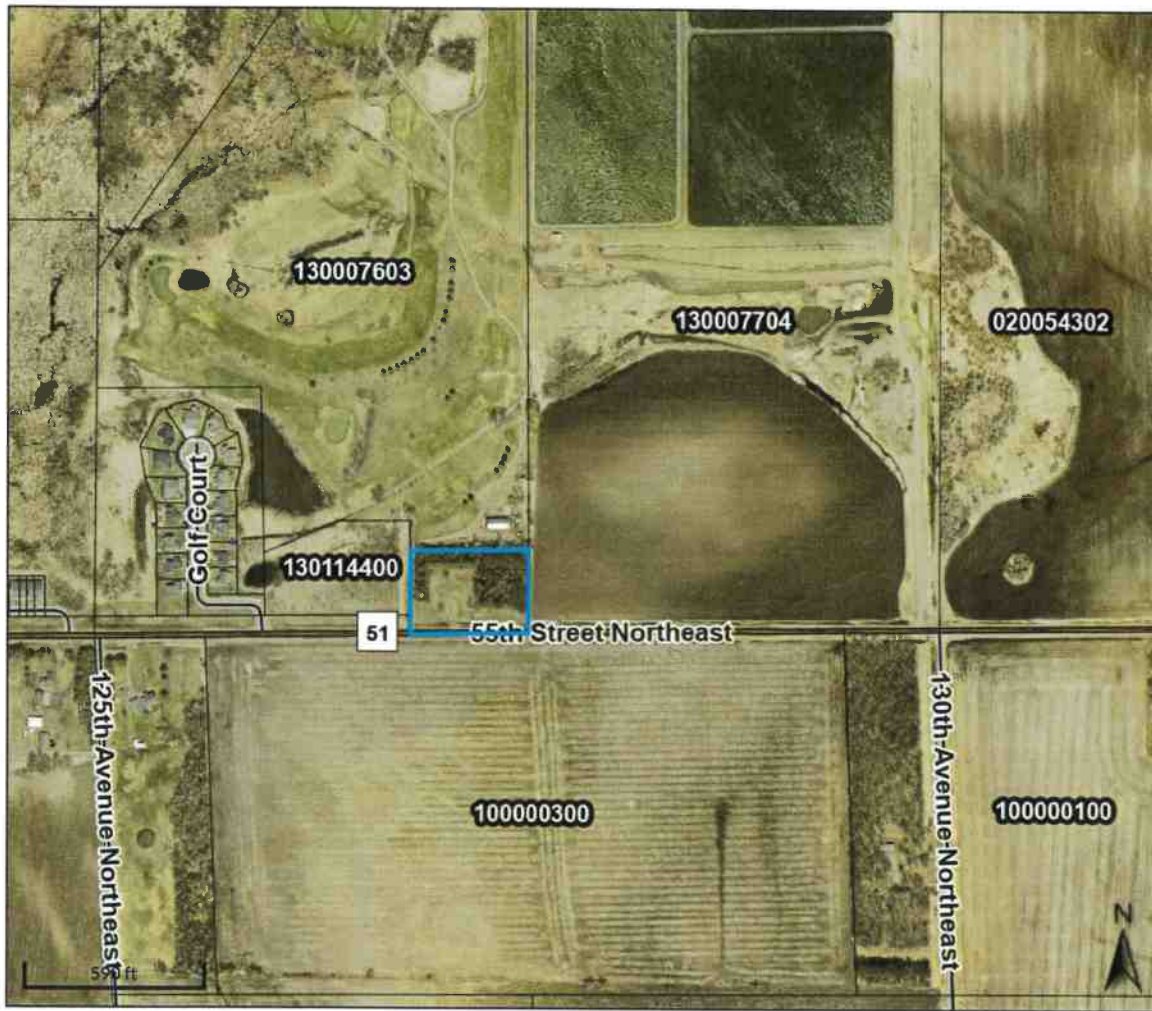
Professional Services

100

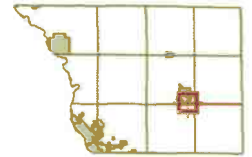


SECTION 10, TOWNSHIP 10N, RANGE 10E, COUNTY OF FOLEY, MINNESOTA

PLAT 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.



Overview



Legend

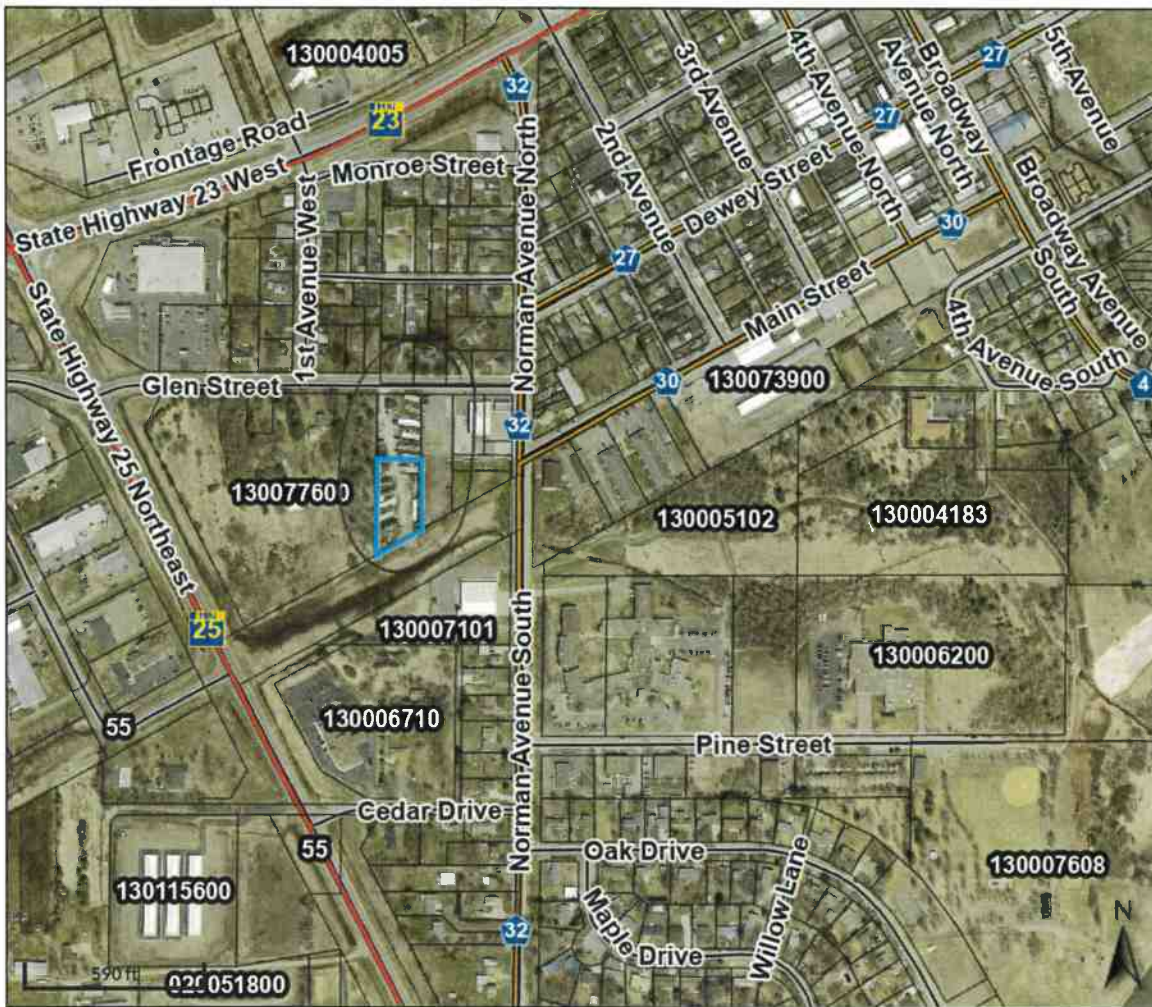
- Parcels
- Highways
- County Roads
- Roads

Parcel ID	130007602	Alternate ID	n/a	Owner Address	CITY OF FOLEY
Sec/Twp/Rng	36-037-029	Class	958 - MUNICIPAL PUB-OTHER		251 4TH AVE N
Property Address	12701 55TH ST NE	Acreage	2.22		PO BOX 709
	FOLEY				FOLEY, MN 56329
District	FOLEY				
Brief Tax Description	Sect-36 Twp-037 Range-029 2.22 AC E 339.11 FT OF S 261 FT OF SW 1/4 SW1/4 & W 32.89 FT OF S 261 FT OF SE1/4 SW1/4				
	(Note: Not to be used on legal documents)				

Date created: 9/15/2023
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Developed by  Schneider
GEOSPATIAL

*County 51
water/sewer already
there*



Overview



Legend

-  Parcels
-  Highways
-  County Roads
-  Roads

Parcel ID	130004810	Alternate ID	n/a	Owner Address	FOLEY MHP LLC
Sec/Twp/Rng	35-037-029	Class	220 - MFG HOME PARK		1775 W STATE ST #362
Property Address	52 GLEN ST	Acreage	0.75		BOISE, ID 83702
	FOLEY				
District	FOLEY				
Brief Tax Description	Sect-35 Twp-037 Range-029 .75 AC PART OF NE1/4 NW1/4 COMM AT NE COR TH S 33 FT TH W 320.75 FT TO POB TH W 139.50 FT TH S 507 FT TO N LINE OF RR R/W (ABANDONED) TH ELY PARALLEL W/RR R/W 157 FT TH N 429 FT TO POB LESS N 221 FT				
	(Note: Not to be used on legal documents)				

Date created: 9/15/2023
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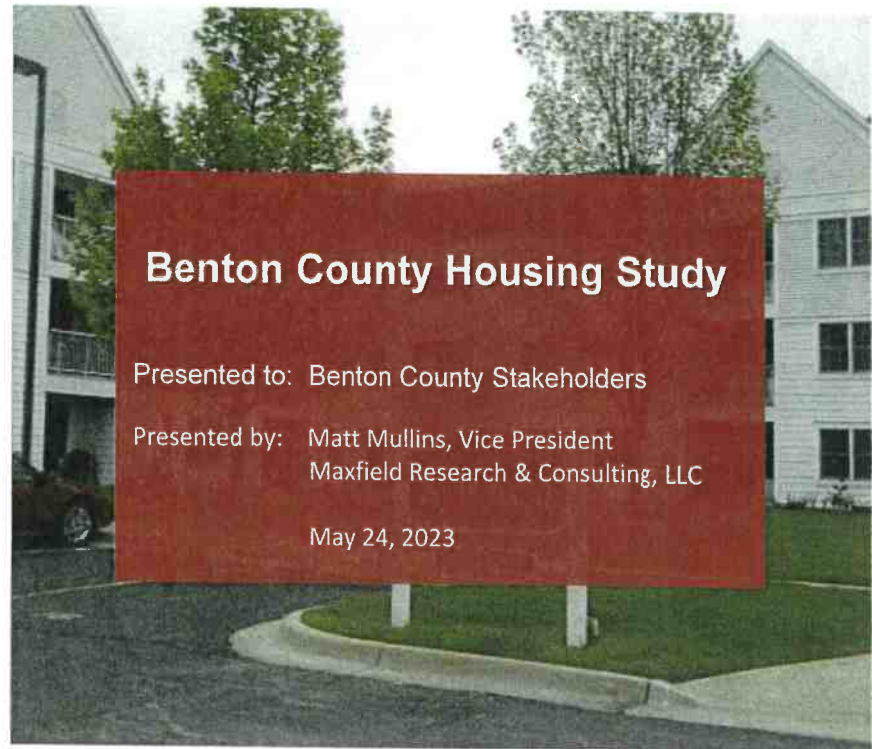
Developed by  **Schneider**
GEOSPATIAL

*Potential redevelopment
w/ expansion of North
Trailer
Park*

Summary Housing Study Presentation



Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies



Maxfield Research & Consulting, LLC

We are a full-service real estate advisory company providing strategic value to our private and public sector clients' real estate activities.



OVERVIEW

- 40 Years Experience
- Diverse Client Base
- **Multi-Sector Capable**
 - Residential
 - Commercial
 - Public & Private Entities
- Market Driven Strategies
- Recommending Highest & Best Uses
- Provide Actionable Plans

Project Scope

OBJECTIVE

Provide custom comprehensive housing study

APPROACH

Identify current & future housing needs for residents in Benton County and provide framework for meeting housing needs

PROJECT DELIVERABLES

- Short and long-term housing needs
- Recommendations guiding future housing development
- Tools/policies to implement the plan

KEY DATES

- Data collection: 3rd/4th Quarter 2022
- Draft: March 2023
- Presentation: May 24, 2023
- Final Report: After Review & Comment Period



Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies

Submarkets

Demographics & Economics

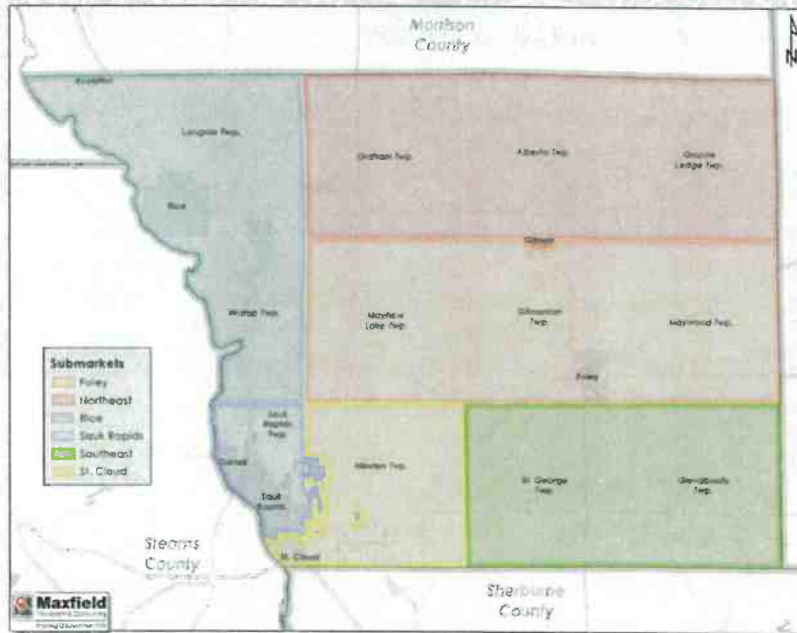
Market Overview

Demand & Recommendations

2023 Mid-Year Outlook

Discussion

Benton County Submarkets



6 Submarkets

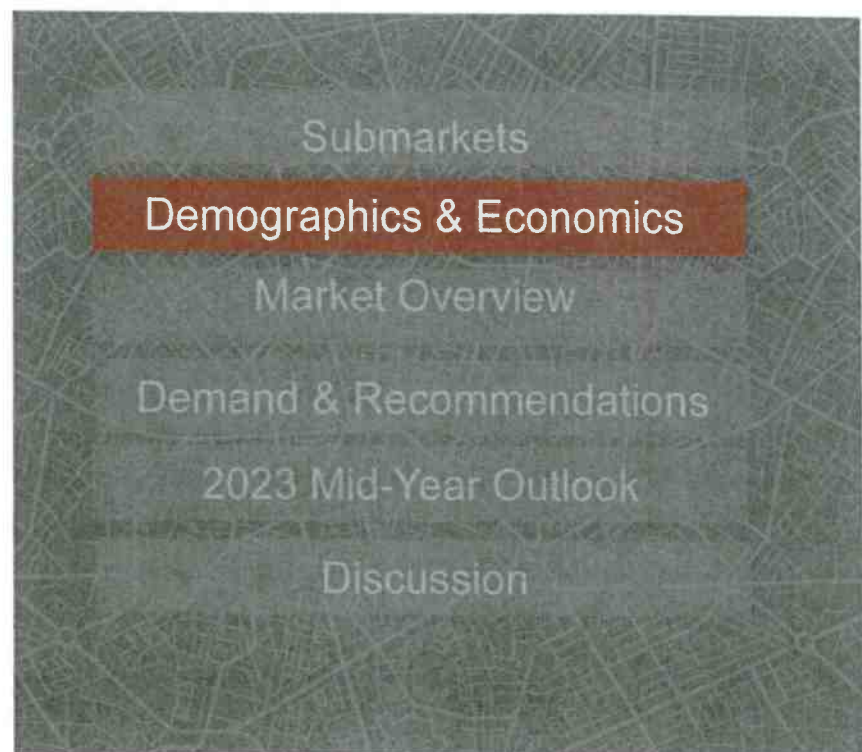
- Foley
- Northeast
- Rice
- Sauk Rapids
- Southeast
- St. Cloud

19 Geographies

- 7 cities
- 12 townships

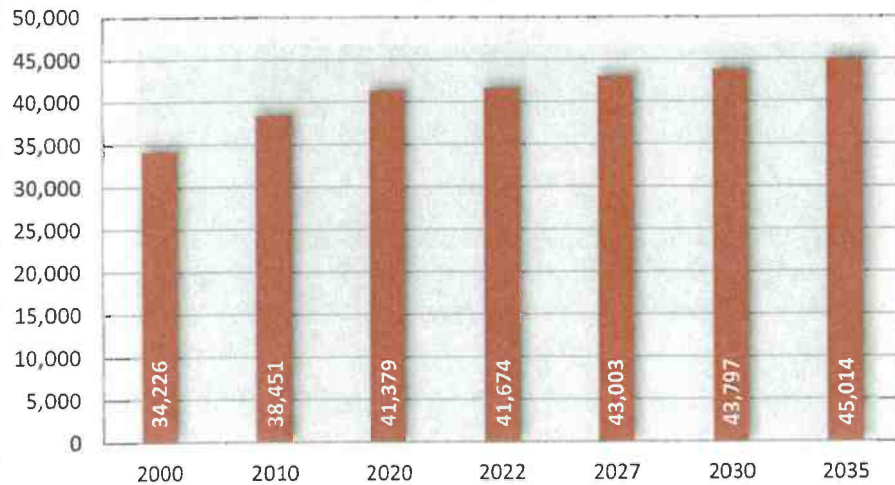


Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies



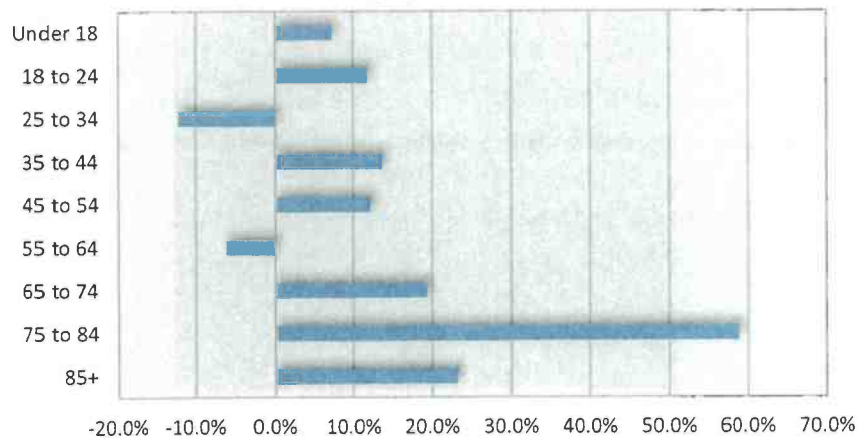
Growing, but deaccelerating...

Benton County Population Trends



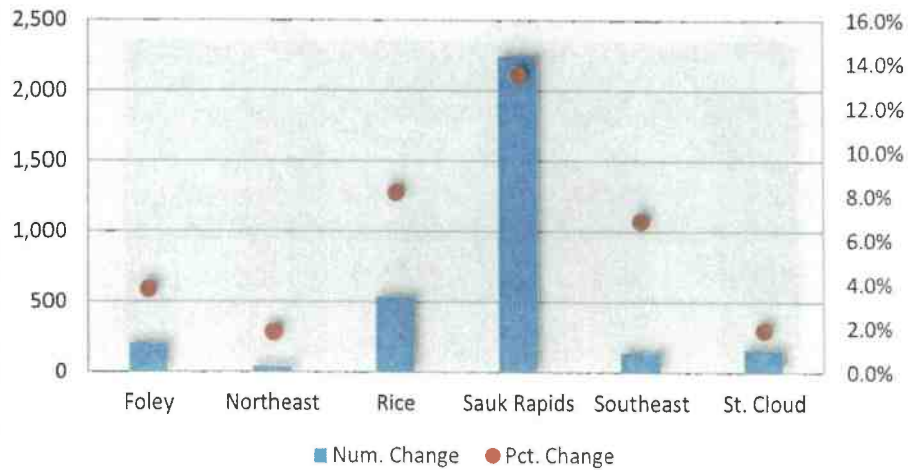
Highest growth pct. overwhelmingly the 65+ population

**Benton County
Proj. Growth by Age Group (2022 - 2035)**



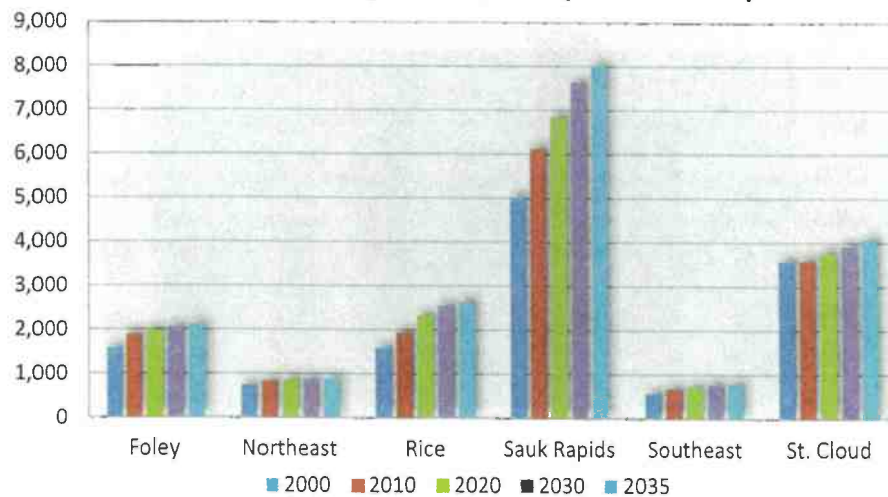
About 2/3s of Growth Slated for Sauk Rapids Submarket...

Population Change by Submarket (2022 - 2035)

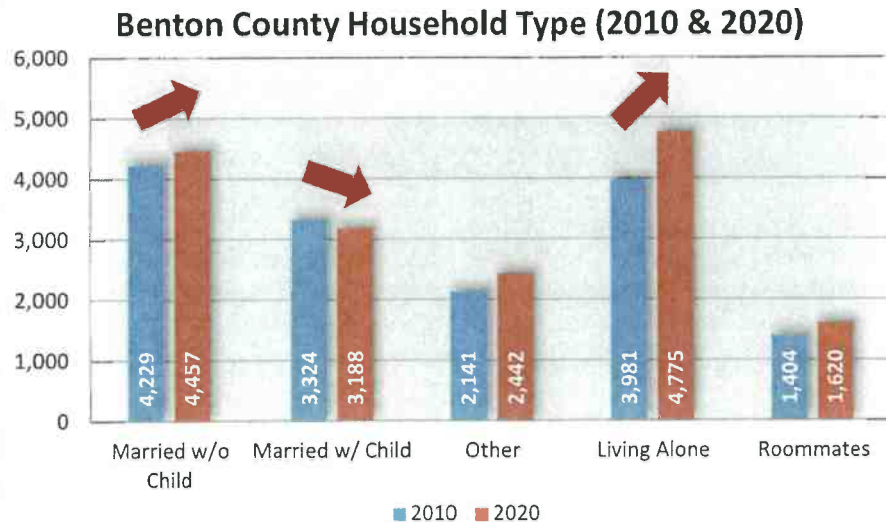


Household growth by submarket

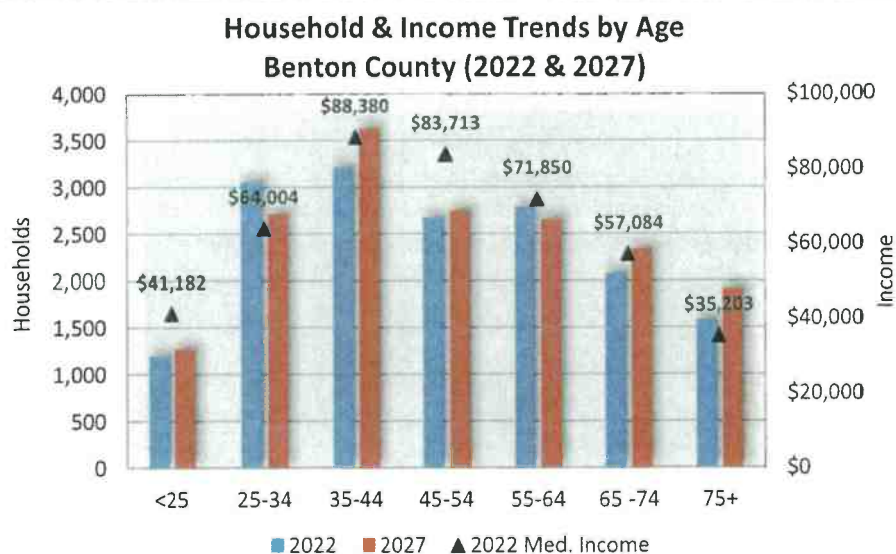
Households by Submarket (2000 - 2035)



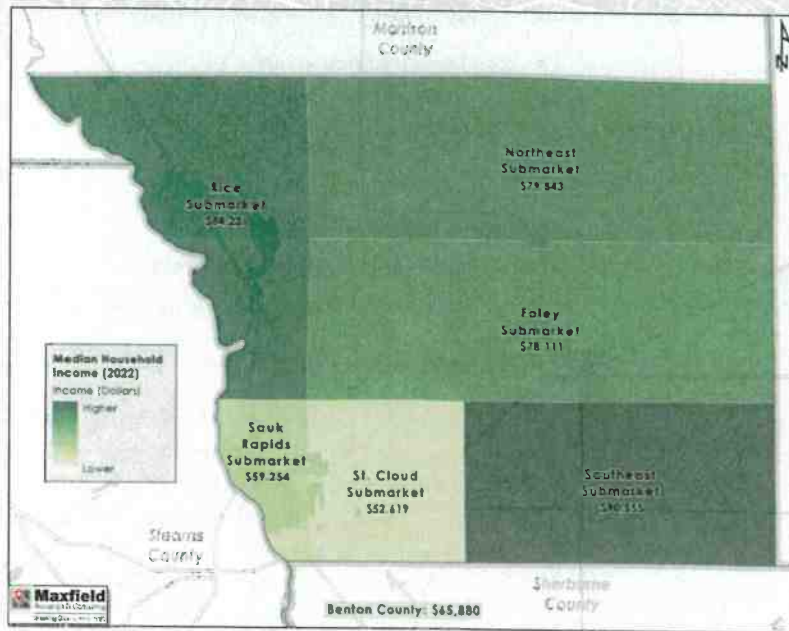
Household growth highest among those Living Alone



Median income highest in 35 to 44 cohort (Millennials)



Median incomes various by Submarket...

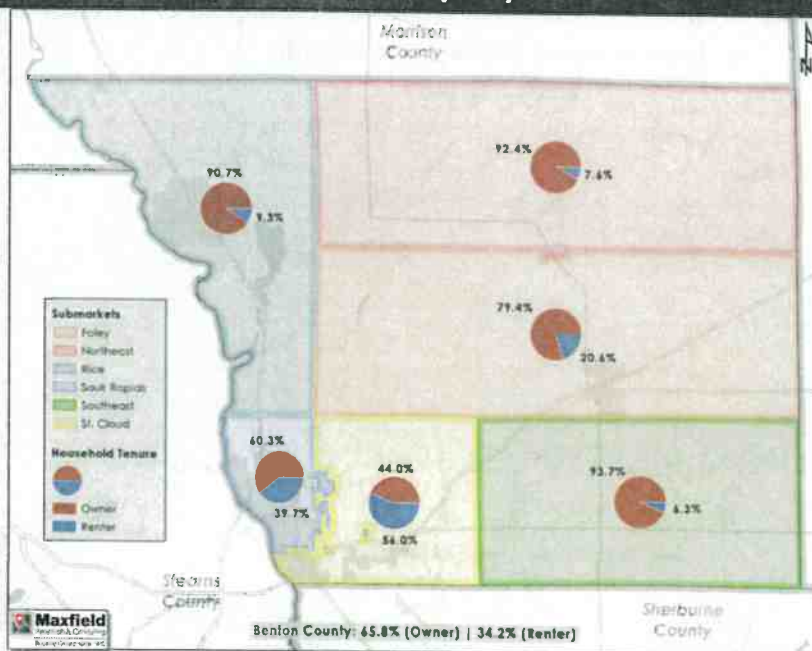


Median Income Comparison (2022):

- Benton: \$65,880
- Stearns: \$71,510
- Sherburne: \$102,154
- St. Cloud MSA: \$70,343
- MN: \$81,851



Homeownership rates vary by Submarket



Benton County is both a job exporter & importer

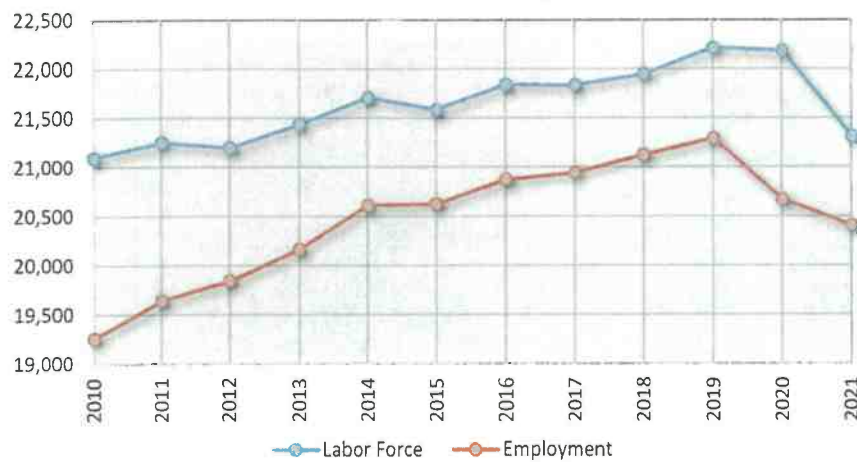


- 16,680 jobs (covered employment) Q1 2022
- Key Industry Sector Jobs:
 - Trade, Transp., & Utilities: 22%
 - Manufacturing: 21%
 - Edu. & Health Services: 20%
- Avg. weekly/annual wage:
 - \$945 | \$49,140 (Benton County)
 - \$989 | \$51,428 (Central MN Region)
 - \$1,376 | \$71,552 (MN)
- 46% residents leave County for employment
- 38% of Benton County workers employed in St. Cloud. 24% of County workers commute from 25 miles or greater

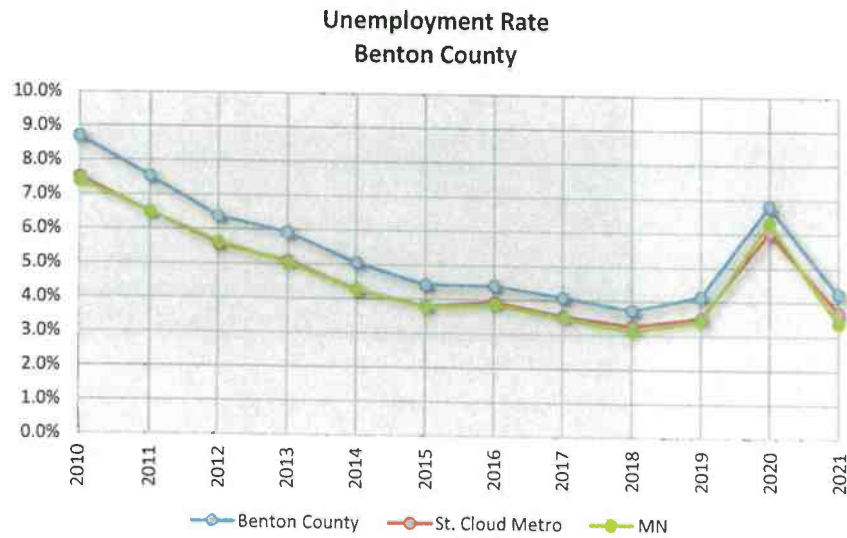


Labor Force & Employment down since Pandemic...

Labor Force vs. Employment Growth
Benton County

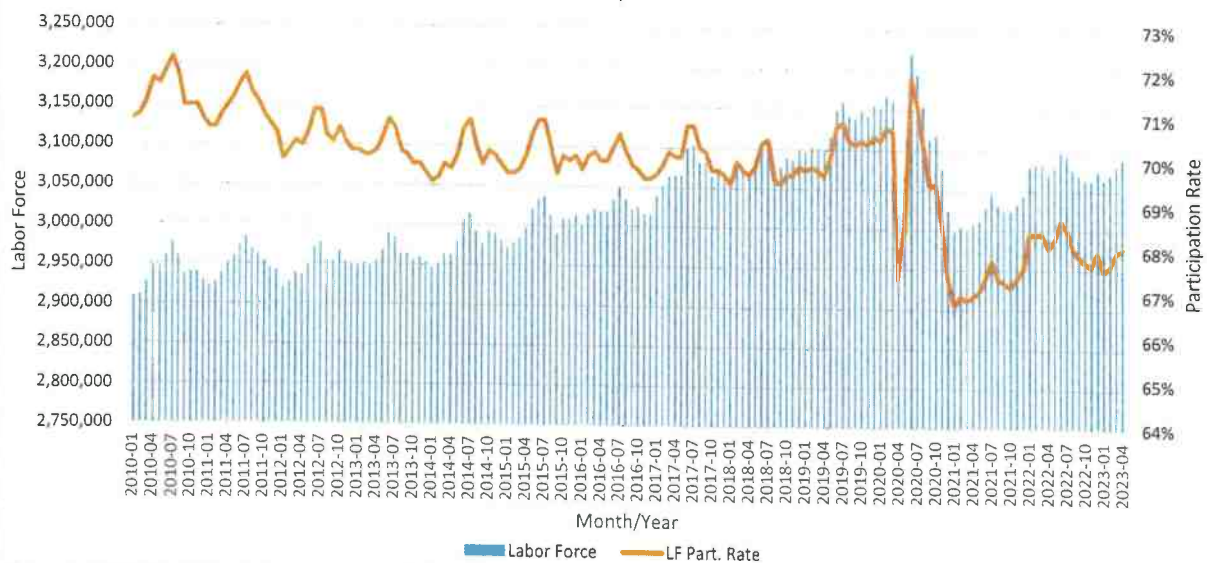


Unemployment mirrors MN



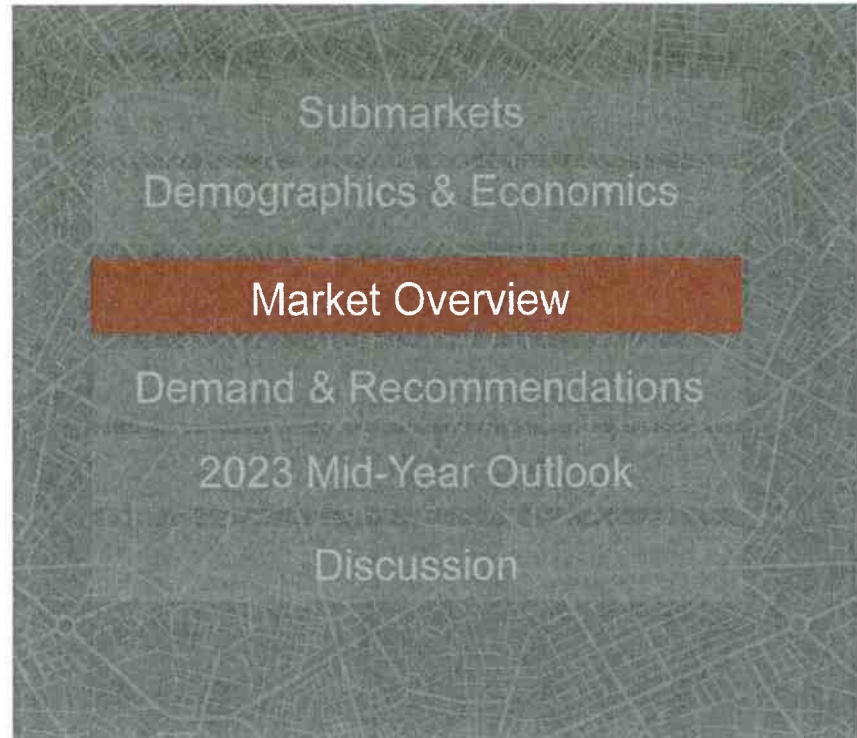
Labor Participation rate down...

Labor Force & Labor Force Participation Rate: Minnesota
2010 to April 2023





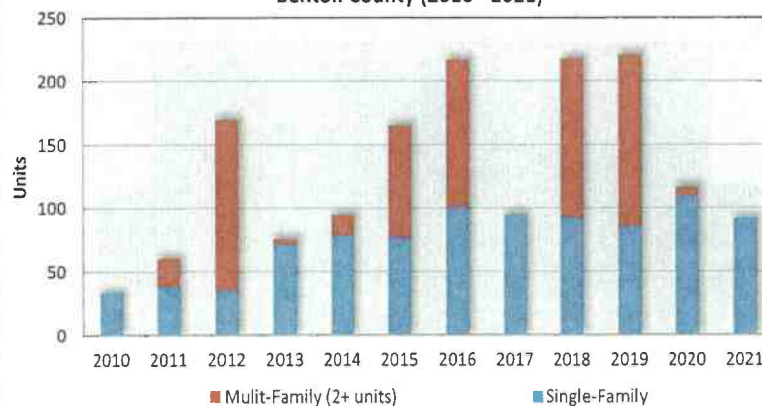
Real Estate Research
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and Feasibility Studies



Housing Construction Activity

- Averaging 130 units per year
 - 76 units of SF per year
 - 49 units of MF per year
- 59% of development is SF
- Uptick in development from 2016-2019
- 30% of permit activity in Sauk Rapids

Residential New Construction (Units)
Benton County (2010 - 2021)



Extremely low rental housing vacancies

Overall

- 3,626 units
- 1.5% vacancy rate
- 48% on rental inventory located in Sauk Rapids Submarket

Market Rate

- 3,375 units
- 1.6% vacancy rate
- Avg. monthly rent \$858 | \$0.99 PSF
 - \$723 1BR (\$1.02 PSF)
 - \$875 2BR (\$0.97 PSF)
 - \$1,038 3BR (\$1.01 PSF)

Affordable/Subsidized

- 251 units
- 0% vacancy rate



Catherine Square Apts. (Foley)



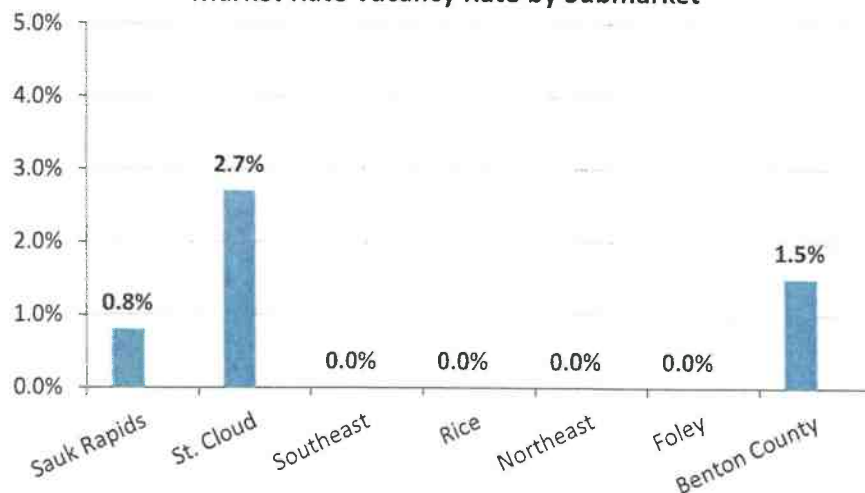
Hidden Hollow Townhomes (Rice)



5% Vacancy = Market Equilibrium

Low Vacancy Rates Across the County...

Market Rate Vacancy Rate by Submarket



Avg. Market Rate Rents:

Sauk Rapids: \$945 | \$1.00 PSF

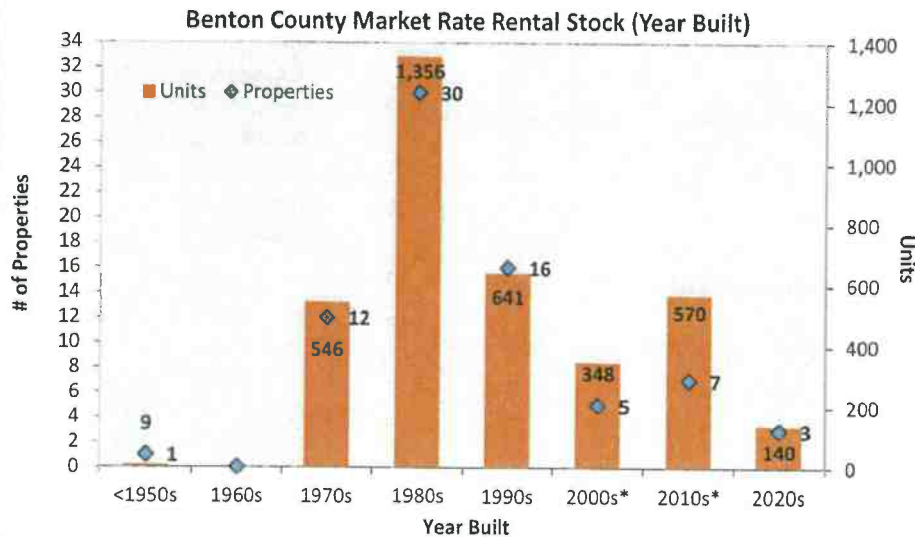
St. Cloud: \$846 | \$0.98 PSF

Rice: \$862 | \$1.01 PSF

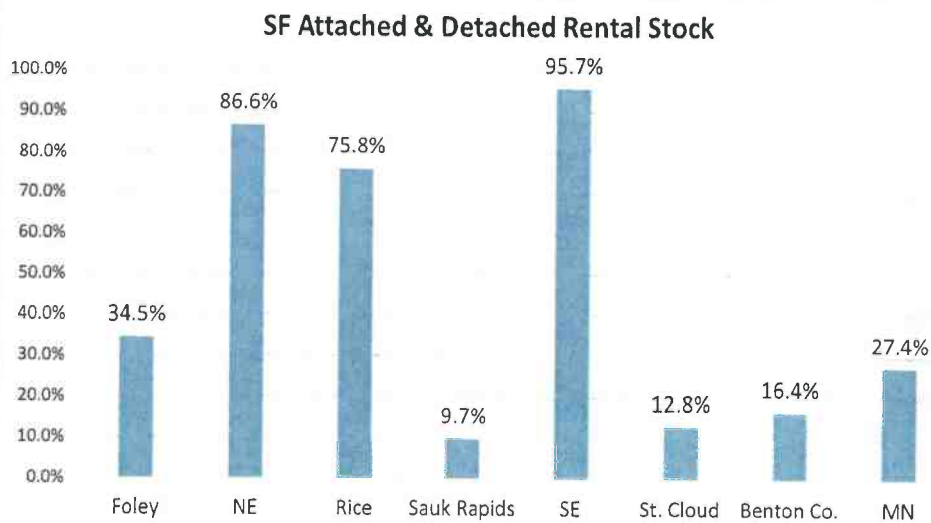
Foley: \$826 | \$0.97 PSF



Older Rental Housing Stock...



SF Rentals dominate smaller submarkets

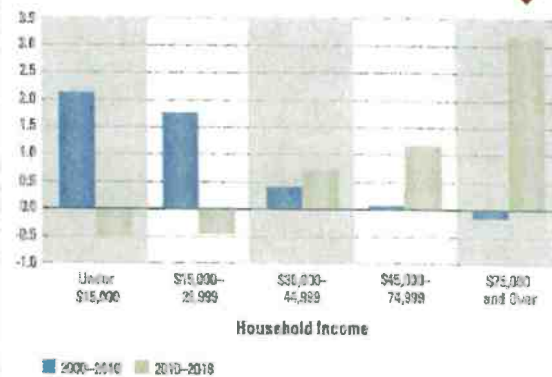


Lifestyle Renters Driving Rental Growth...

- High-earning renters: +45% last decade
- Barbell: Millennials & Baby Boomers
- Young, college educated with high incomes
- Baby Boomers: Lack of active adult product, desire to right size, simpler lifestyle, etc.
- Married couples w/kids: +14%
- Fewer renters “doubling up” in the pandemic recession

High-Income Households Have Driven Most of the Growth in Renters Since 2010

Net Change in Renter Households (Millions)



Note: Incomes are adjusted for inflation using the CPI-U for All Items.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

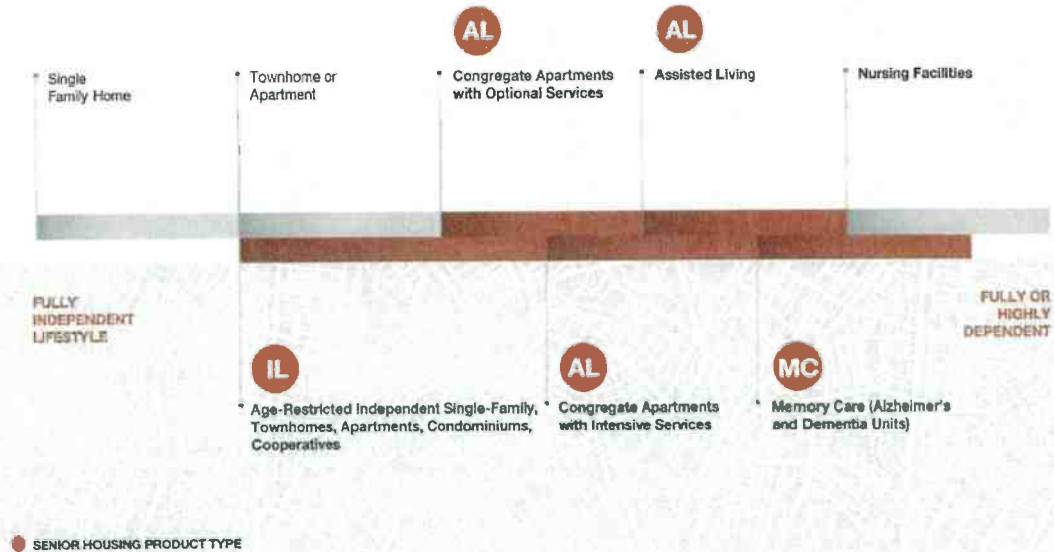


Apartment Development Trends

- Preferred asset class from developers, investors, & lenders
- Demand driven by strong demographics: Millennials & Baby Boomers (“barbell”)
- Renters by choice (“lifestyle renters”) driving market w/higher incomes
- Amenity driven; today’s renters have higher expectations
- Strong desire for rental units with more space, yards, etc. (townhomes single-family, etc.)
- Lack of for-sale supply & higher mortgage rates has fueled renter demand
- Low vacancies = pent-up demand
- Challenges delivering new product @ reasonable price points
- Hospitality moving into rental space (i.e. short-term rentals)



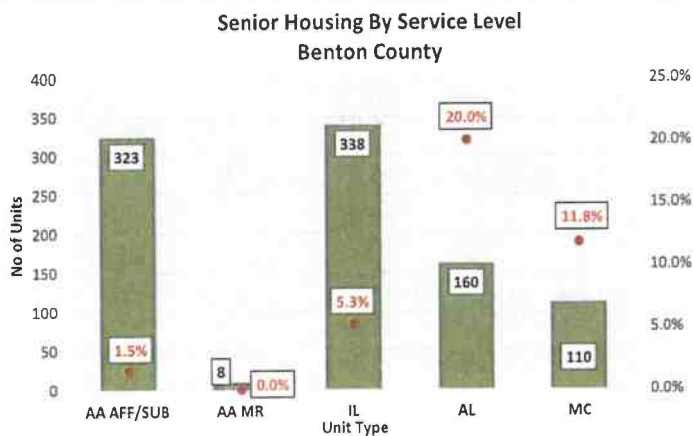
Senior Housing Continuum



Senior housing inventory

Senior Inventory

- 939 units | 14 properties
- 6.2% Overall vacancy rate
- 77% located in Sauk Rapids Submarket



Good Shepherd Campus – Sauk Rapids

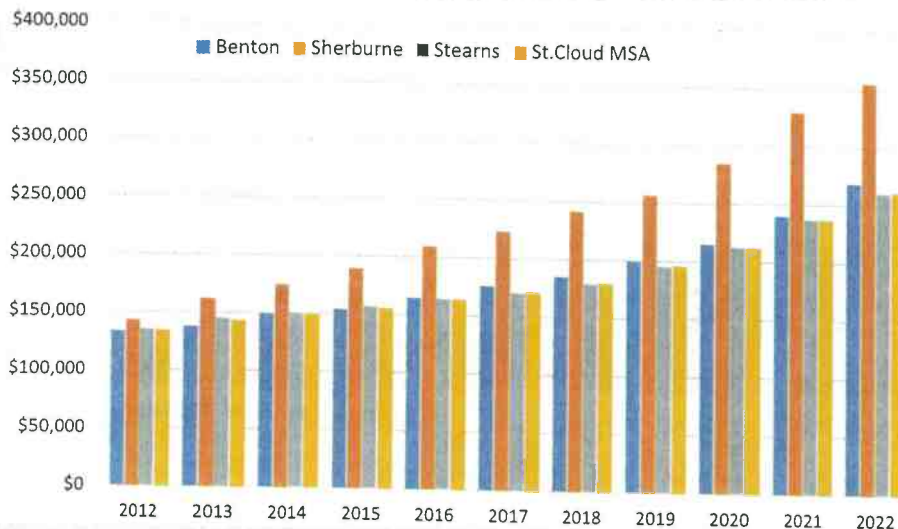


Benton Place (Rice)

5% - 7% Vacancy = Market Equilibrium

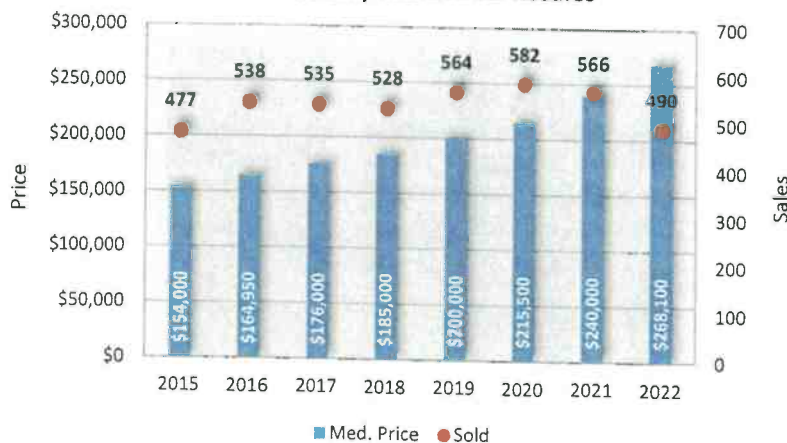
St. Cloud MSA Pricing Comparison

Median Resale Price, Benton County and Comparison, 2012-2022



Pandemic Housing Boom: +30% since 2020

Benton County Residential Resales



➤ Median sales price:

- Highest – NE Sub. (\$329,950)
- Lowest – St. Cloud Sub. (\$250,000)

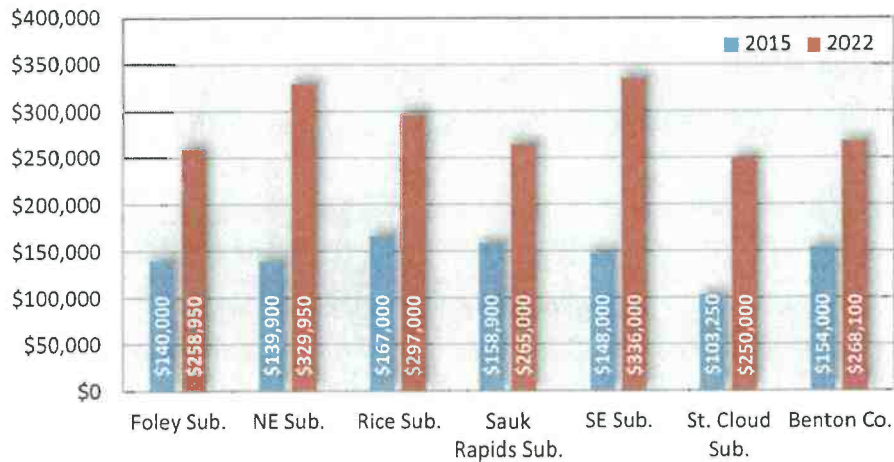
➤ Resales:

- Highest – Sauk Rapids Sub. (234) | 48% of County
- Lowest – NE Sub. (6) | 1% of County



Home Prices up 11% annually since 2020

Median Resale Price

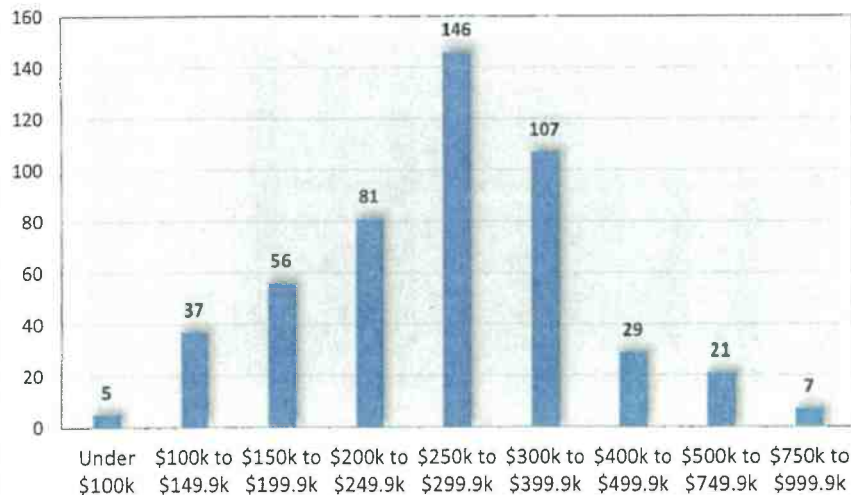


Note: No data available for the SE Sub. in 2022. Data presented for 2021.



2022: 46% of Resales between \$200k to \$300k

Resales by Price - Benton County (2022)



Limited For-Sale Inventory | Homes sell quickly

Active Listings (Jan. 2023)

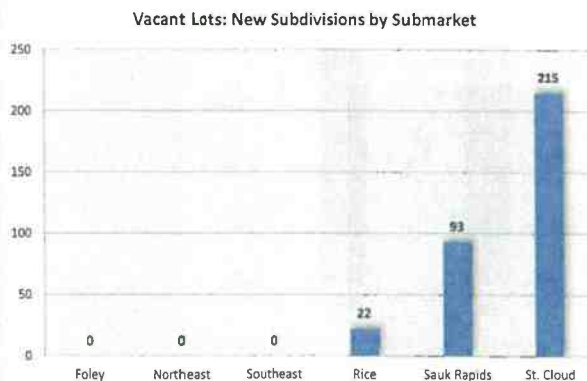
- 77 active listings
- No multifamily listings
- Avg. price: | \$320k
- Median price | \$310k
- 62% in St. Cloud & Sauk Rapids
- Average PSF = \$144



Lot Inventory | Lots Needed

Lot Inventory/Supply

- 330 vacant lots | 22 active subdivisions
- Nearly 65% in St. Cloud submarket (six subdivisions)
- No newer platted lots in Foley, Northeast, & Southeast submarkets

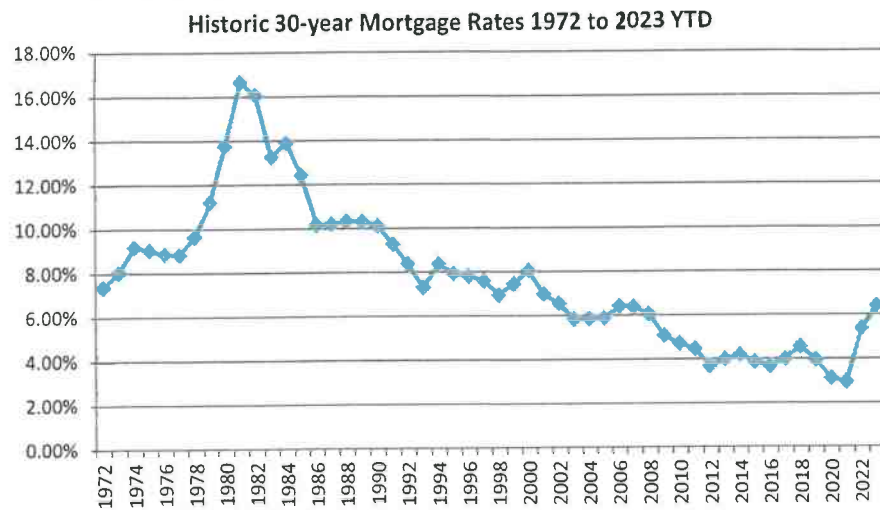


New Construction Market

- Build-to-suit
- No production builders | Local builders
- Few builders will construct spec homes
- New product targets entry-level to move-up or executive buyers
- All detached single-family housing | Split level dominated
- Avg. Price: \$343k | \$180 PSF



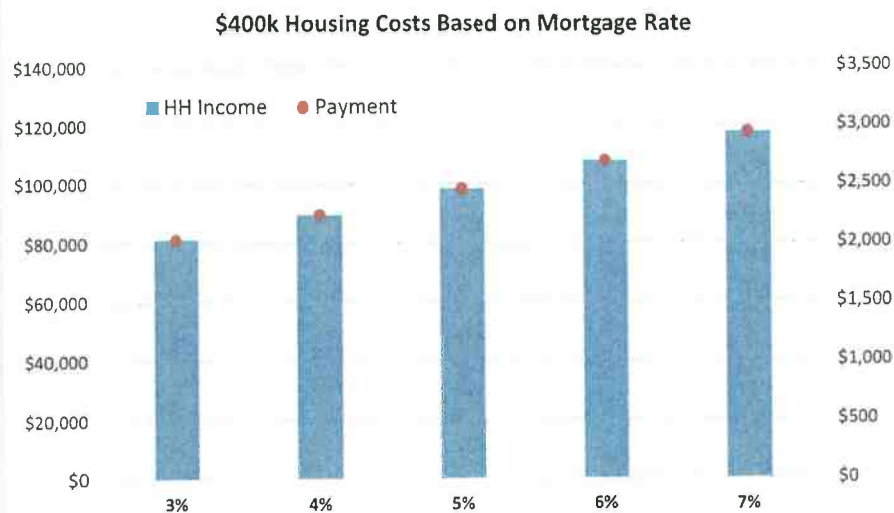
Interest Rates Rising...still historically low



FOMC Mtg. Date	Rate Change (bps)	Federal Funds Rate
3/3/2020	-150	1.0% to 1.25%
3/16/2020	-100	0.0% to 0.25%
3/17/2022	+25	0.25% to 0.50%
5/5/2022	+50	0.75% to 1.0%
6/16/2022	+75	1.5% to 1.75%
7/27/2022	+75	2.25% to 2.5%
9/21/2022	+75	3.0% to 3.25%
11/2/2022	+75	3.75% to 4.0%
11/14/2022	+50	4.25% to 4.5%
2/1/2023	+25	4.5% to 4.75%
3/2/2023	+25	4.75% to 5.0%
5/3/2023	+25	5.00% to 5.25%



Housing Costs (via rate hikes) +45% Over Past Year...



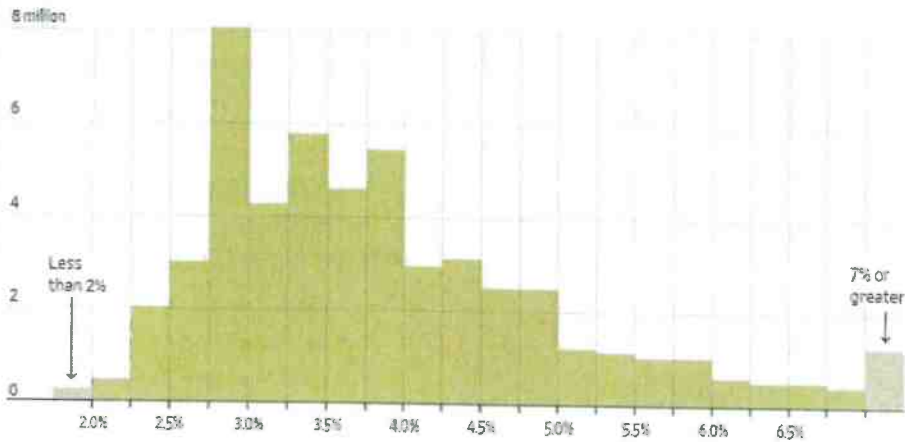
Note: Based on 10% down, 30-year fixed, good credit, HO insurance, property taxes, and PMI. Change between 3% and 7% mortgage rate.



Mortgage Rate Lock In Effect...holding back supply

Nearly 75% of existing mortgages are under 4%!

Active primary mortgages by interest rate



Note: As of March 31
Source: Black Knight

Maxfield
Research & Consulting

Why is the entry-level & middle market missing?

- Zoning regulations
- Density requirements
- Design/material requirements
- Permit/impact fees
- Infrastructure costs
- Building code changes
- Increasing labor and material costs
- Land/acquisition costs increasing
- Financing challenges for smaller developers/builders
- Lenders tightening underwriting standards/bank regulation increasing with bank failures
- Economies of scale needed



Maxfield
Research & Consulting

Tools to alleviate costs | New production not keeping pace

Multiple Strategies needed to address supply & demand challenges...

Public Sector (sample)

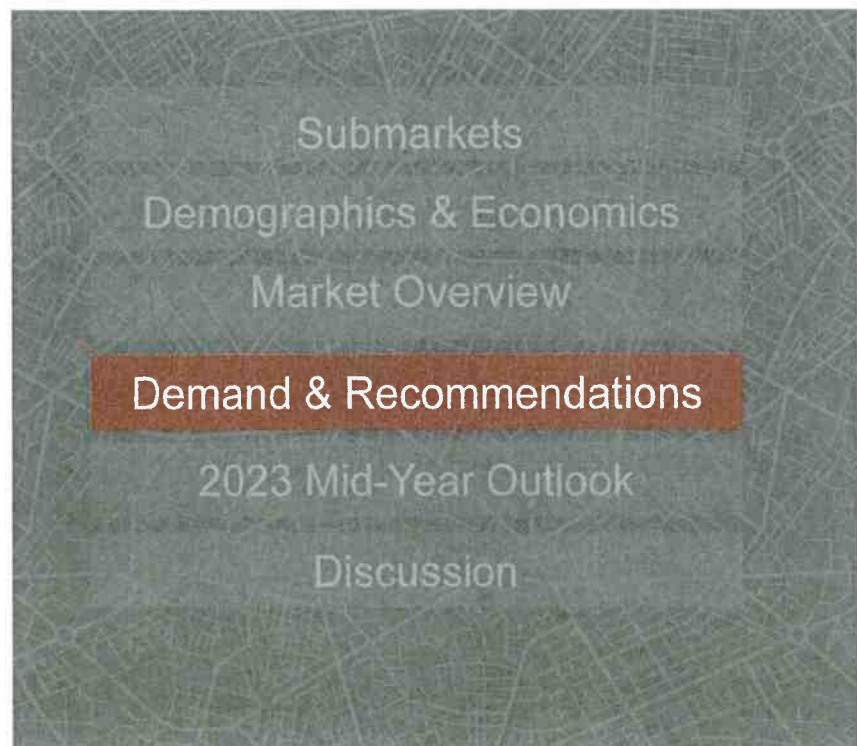
- Relax zoning requirements (density, lot size, parking, etc.)
- Regulatory fees (passed to end consumer)
- Fee reductions (Entitlement, permit, impact)
- Fast tracking (time is money)
- Tax abatement/TIF, etc.
- Housing Trust Funds & other housing programs
- Land acquisition contribution, infill sites, etc.
- Opportunity zone tax breaks
- Accessory Dwelling Units (ADU), Multi-gen, tiny homes, etc.
- Financing instruments
- Private-public partnerships

Improving Productivity

- Modular housing or Prefab
- Emerging construction (AI, 3D printing, automatize, etc.)
- Alternative construction materials
- Design innovations
- Promotion of the trades (schools)
- Builders in interim:
 - Reduce lot size
 - Reduce square footage
 - Less expensive finishes



Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies



Demand Methodology

Demand Overview

- Household growth & tenure
- Turnover
- Income-qualified households
- Demand by product | Preferences

Demand Driver Examples

- Demographics
- Economy & Job Growth
- Consumer Choice | Preferences
- Turnover/Mobility
- Supply (i.e. Existing Hsg. Stock)
- Replacement need (i.e. functionally /physically obsolete)
- Financing

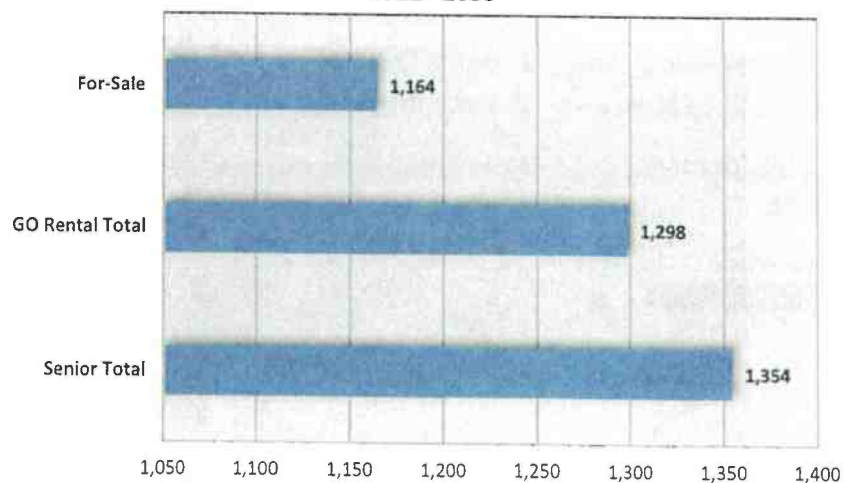
Demand Assumptions/Methodology

- Household growth adjusted for local factors (i.e. economy, building permits, etc.)
- Senior demand estimates apply capture and penetration rates and are presented as "Point in Time" vs. Cumulative



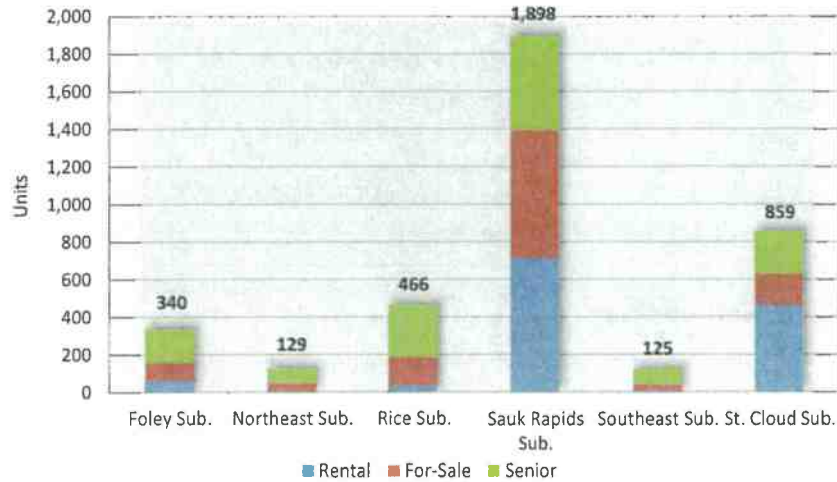
Demand for 3,800 housing units through 2035

Benton County By Type
2022 - 2035



Sauk Rapids Submarket – 50% of all demand

Submarket Demand by Type



SF For-Sale Recommendations

- Recommend 3 to 5-year lot supply
- Demand for over 800 SF homes
- Demand across all price points, however entry-level SF becoming more difficult to build given development cost
- \$250k - \$400k highest demand, but growing need for executive homes too

Single-Family Demand by Submarket by 2035

Submarket	Units	Pct.
Foley	68	8.4%
Northeast	33	4.1%
rice	113	13.9%
Sauk Rapids	440	54.1%
Southeast	28	3.4%
St. Cloud	132	16.2%
Total	814	100.0%



Pine Oaks Subdivision (Center Twp.)



Manufactured Home (Davis Homes)

MF For-Sale Recommendations

- Demand for 350 units
- Lack of association-maintained product
- Potential housing types:
 - Twin homes/duplex
 - Att. / Det. Townhomes/Villas
 - Townhomes/Quads

Multifamily For-Sale Demand by Submarket by 2035

Submarket	Units	Pct.
Foley	29	8.3%
Northeast	8	2.3%
Rice	38	10.9%
Sauk Rapids	237	67.7%
Southeast	5	1.4%
St. Cloud	33	9.4%
Total	350	100.0%



Garden Villas Sauk Rapids

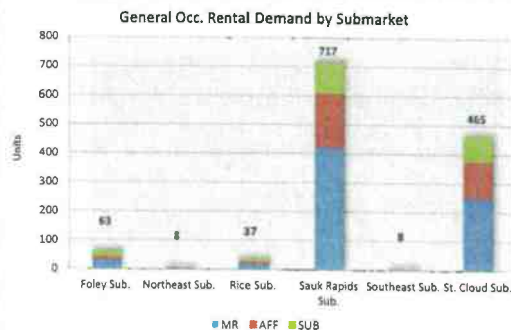


Waters Edge at Don Lake



Rental Housing Recommendations

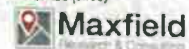
- Demand for nearly 1,300 units
 - 738 market rate
 - 340 affordable
 - 220 subsidized
- Demand for all incomes, HH types, and product types



Camden Apts. (Sauk Rapids)

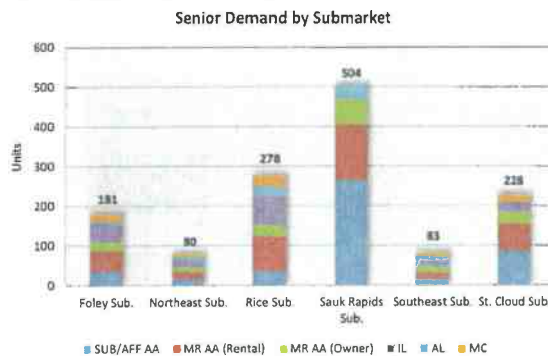


Plainfield Townhomes (Rice)



Senior Housing Recommendations

- Significant demand through this decade & beyond..(i.e. boomers)
- Strong Demand for most senior types except for AL and MC



The Gardens (Foley)



Summit Ridge Place (Sauk Rapids)



Key Takeaways

- Moderating growth past decade, but deacceleration this decade | Sauk Rapids Sub. driving growth
- Growth led by Millennials & Boomers | 65+ growing fastest = alternative housing products
- Living alone HHs highest of all households (29%) | Followed by Empty/never nesters (27%)
- UE rate lower than pre-pandemic, but labor force is still down | Plenty of job openings
- 46% of workers commute outside the County for employment (i.e. higher wages)
- Low rental vacancy rates (1.6%) | Older stock | Pent-up demand for new rental housing
- Senior housing market poised for strong growth | Short-term need for active adult & Independent
- For-sale market @ peak, but slowing | lack of supply | Interest rates impacting sales/affordability
- Vacant lot supply deficient in most submarkets | New platted lots needed
- Inflation and rising construction costs impact development opportunities





Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies



Economic Outlook...soft landing or recession?

On the Bright Side

- 2x as many job openings as unemployed
- Limited distressed real estate...for now
- Car pricing finally stabilizing
- Inflation is decelerating
- Retail brick and mortar on solid footing
- Shipping container costs leveled out
- Strong dollar

Headwinds

- Persistent 40-year high inflation
- Debt ceiling
- GDP growth falling
- Consumer confidence ↓ from 2022
- Federal Reserve raised rates 7x in 2022, 3x in 2023 more rate hikes coming?
- Housing market cooling
- Labor shortage
- Geopolitical risk
- Banking crisis/financial tightening
- Gas prices

Pandemic Housing Boom deflating with rising rates...

- Mortgage rates up significantly in 2022/03 (3% vs. 7%..back to 6.4%)
- Buyers priced out/on sidelines
- Rate lock-in effect: will home-owners stay put with historic low rates?
- Builder buy-downs to move inventory
- Land demand...down for now...
- Construction starts stall, but confidence up

Median Sales Price



Home Sales



Housing Starts



Interest Rates



Inventory



Days on Market



Affordability



2023 Rental Housing Outlook...

- HH formations slowing w/weakening economy
- Record breaking supply (Metro, MN, USA)
- Lack of for-sale product & rising interest rates boosts renter demand
- Hybrid work/mobility drives new submarkets
- Bid/ask spread wide..potential distress on way?
- Rising debt & construction cost constraints...
- Rising Op Ex. (taxes, labor, etc.)

Deliveries



Absorption



Rent Growth



Vacancies



Transactions



Concessions



Affordability



2023 Senior Housing Outlook...

- Pop. growth led by younger seniors
- Strongest demand for independent & middle market products
- Labor shortages hinder occupancies
- Another year+ of recovery until we reach pre-pandemic occupancies
- Transactions muted w/higher int. rates
- New construction suppressed w/higher financing costs
- Margin compression: expenses rising faster than revenue
- More aggressive rent growth

Deliveries



Vacancies



Rent Growth



Housing Values



Transaction Activity



Concessions



Affordability



Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies

Submarkets

Demographics & Economics

Market Overview

Demand & Recommendations

2023 Mid-Year Outlook

Discussion

Thank You!



MaxfieldResearch.com



<http://www.linkedin.com/company/maxfield-research-inc>

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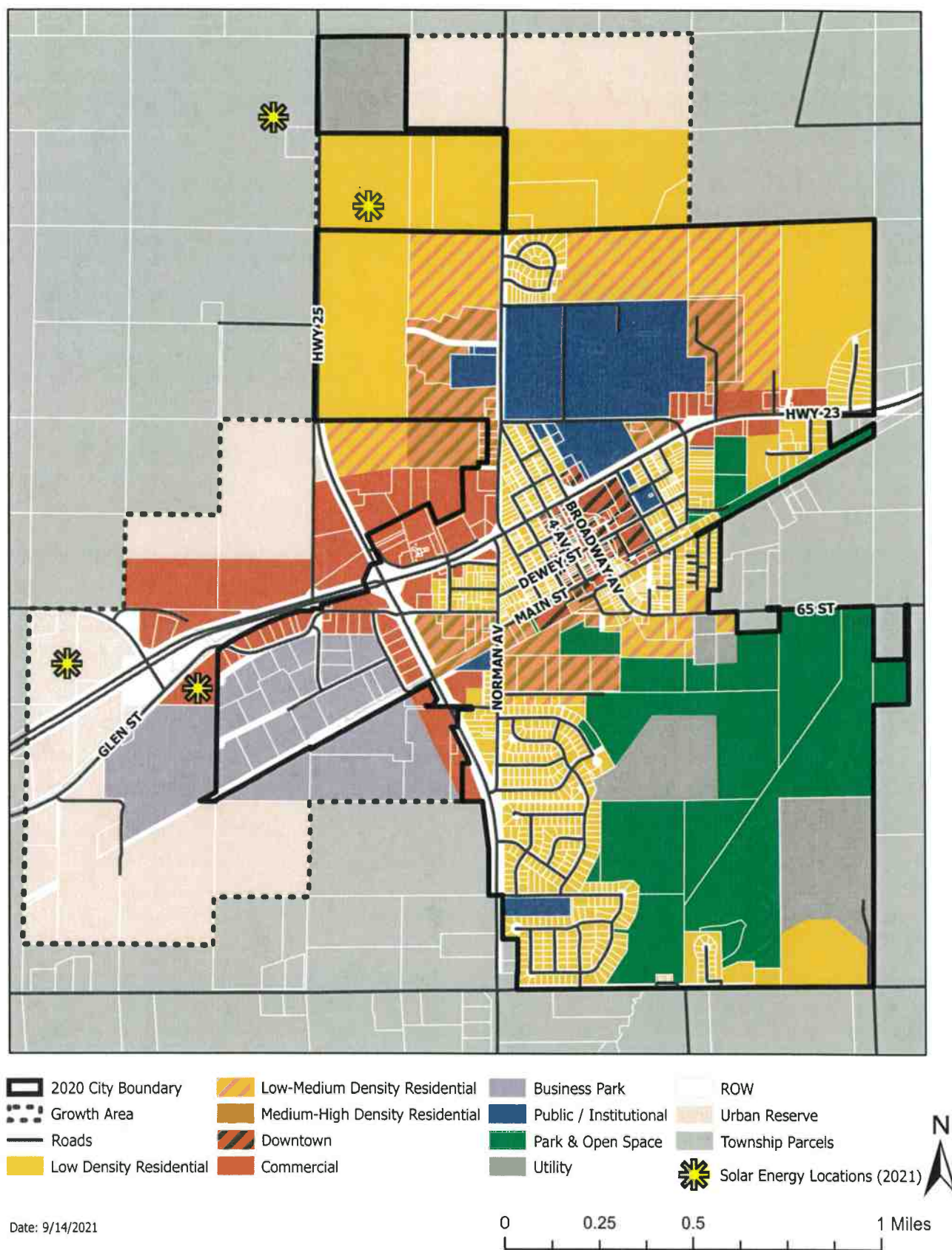


Figure 7. Future Land Use



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

218-730-5580

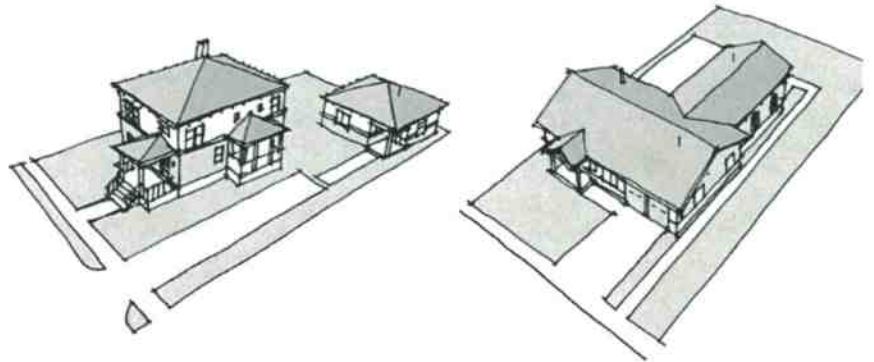
planning@duluthmn.gov

TINY HOUSES AND ACCESSORY DWELLING UNITS (REV. 6/26/20)

Introduction.

Broadly speaking, tiny houses are dwellings that typically range from 120 to 400 square feet. There is a wide variety of types of tiny houses in the United States. Some types of tiny houses are permanent structures built on foundations, either as site-built or as modular homes fabricated in a manufacturing facility off-site. These are essentially a smaller version of a traditional single-family home, and are often referred to as Fixed in Place (FIP). Other types of tiny houses may be assembled on a chassis with wheels, and lack permanent foundations or connections to water and sewer. These are often called Tiny Houses on Wheels (THOW).

Accessory dwelling units are secondary or subordinate dwelling units added to an existing one or two family dwelling; these are often called granny flats, mother-in-law homes, or carriage houses. These must be located on the same platted lot or tax parcel as a primary residential structure and must be owned by the same owner, but may be rented (with an approved rental permit from the Life Safety Division of the City of Duluth Fire Department). Accessory dwelling units must provide the basic requirements for living, sleeping, cooking, eating, and sanitation, and are constructed on compliant permanent footings or foundation, with permanent connections to public sanitary sewer and water (which may be stubbed from the primary dwelling). No recreational vehicle, or structure on a chassis, can be an accessory dwelling unit. Only one accessory dwelling unit is allowed per one or two family dwelling.



The city does not require that the owner of a primary residential structure with an accessory dwelling unit live on site.

Traditionally that has been common, with the owner living on site in the primary residential structure and renting out the accessory dwelling to family or non-family members.

But residency is not a requirement in the zoning code. The owner of the parcel that contains the primary and accessory dwellings may live outside the city or state.

Tiny houses and accessory dwelling units are similar, but slightly different terms. A Fixed in Place tiny house may be considered an accessory dwelling unit subordinate to another dwelling unit, or it may be the sole and principal structure on a lot.

Where are Fixed In Place Tiny Houses Allowed?

Fixed in Place Tiny Houses, either modular/manufactured or site built, are allowed in all zoning districts that one-family homes are allowed, including manufactured home parks. These are also allowed in Cottage Home Parks, a new land use added to the zoning code in 2020. Both modular/manufactured and site built homes are expected to meet all building, electrical, and other applicable safety codes. Units built off-site in a licensed facility that meet State or HUD standards must receive a permit by the City before they can be installed/affixed to the property; refer to Manufactured Home Installation Permit and Plan Review Application.

Where are Tiny Houses On Wheels Allowed?

Tiny Houses on Wheels that are self-propelled or permanently towable are considered recreational vehicles and are subject to zoning standards for recreational vehicles (also called “travel trailers/travel vehicles”). These are allowed in approved “seasonal camp or cabins” or “recreational vehicle parks.” Self-propelled vehicles and trailers equipped as temporary human living quarters need a license and title issued by the Department of Transportation. The Duluth zoning code does not consider self-propelled vehicles or trailers as permanent dwellings or permanent accessory dwelling units. These are not allowed in any zone district, except as provided above (seasonal camps and cabins or recreational vehicle parks).

Tiny Homes on Wheels are often built to a Recreational Vehicle standard; RVs are licensed and titled as a vehicle by the Department of Transportation. They do not meet minimum health and safety standards established by the Minnesota Residential Code required for a permanent dwelling.

What is the minimum size requirement for a Tiny House?

A fixed in place tiny house must be large enough to meet state building codes while providing room for living, sleeping, cooking, and sanitation. If a tiny house is built as an accessory dwelling unit an existing single or two family dwelling, it may not exceed 800 square feet. Up until early 2020, the zoning code required all new one family dwellings to be at least 20 feet wide; that is no longer a requirement in Duluth. New dwellings may be constructed that are less than 20 feet wide.

**Where are Accessory Dwelling Units Allowed?**

Accessory dwelling units may be constructed on lots that have an existing single or two family dwelling. Generally accessory dwellings are separate external structures, such as a detached garage with a second floor dwelling, but they may also be located within the single or two family dwelling, such as a basement converted to an accessory dwelling unit.

What is the maximum size allowed for an Accessory Dwelling Unit?

Accessory dwelling units must not exceed 800 square feet of total floor space, nor shall it exceed the total floor area square footage of the principal structure. It should be designed and built consistent in character and design with the primary dwelling, and shall not exceed the height of the principal residential structure or 20 feet, whichever is greater. In addition, at least one off-street parking space shall be provided in addition to off-street parking that is required for the primary dwelling. More information can be found in 50-25.5 of the zoning code.

What zoning setbacks should I be following?

Tiny houses and accessory dwellings must meet setbacks established in the zoning code, either in sections 50-13 and 50-14, or as allowed under the setback exceptions in 50-21 (such as reduced setbacks for accessory structures). In early 2020 the city reduced the corner yard and side yard setback for narrow lots in the R-1 and R-2 zone districts, so as to help spur redevelopment of these lots. Any portion of a building closer than five feet to a property line may need a Fire Wall per the Minnesota Residential Code.

What are the requirements for minimum lot width?

The minimum lot width for newly created/subdivided lots in R-1 for single-family homes is 40 feet. Due to Duluth's development history, there are many lots in the older parts of the City that are 25 or 30 feet wide. These lots were conforming to the zoning code when they were first created, but do not now meet current zoning standards. Generally speaking lots that existed on November 18, 2010, and were held in separate ownership from adjoining lots may be used for construction of a single family home (or other allowed primary structures) even if they do not meet the minimum lot width. More information can be found in 50-38.4 and .5 of the zoning code.

What other things should I be thinking of if I wanted to pursue a Fixed in Place Tiny House?

If you are looking at a new lot, verify that the lot does not have excessive physical challenges that may limit your building footprint (in a floodplain or shoreland), and that it has access to sewer and water. Also verify the width of the lot, and ensure that you can situate your home so that it meets zoning setbacks and has room for at least one off-street parking space. In some limited cases a zoning variance may be an option, but that should be the last resort after looking at all other practical options. Unless a variance is required, a Fixed in Place Tiny House is reviewed and approved administratively as any other building permit application. Remember that the Duluth zoning code does not consider self-propelled vehicles or trailers equipped for temporary living quarters as permanent dwellings, and they are not allowed except in seasonable camps or recreational vehicle parks.

What are the Other Codes That Relate to This Discussion?

In addition to zoning regulations, all structures must adhere to other applicable codes or standards, such as the Minnesota Residential Code, Minnesota Fire Code, City of Duluth Construction Standards, or City of Duluth Engineering Guidelines.

Questions

For more information, please contact planning@duluthmn.gov if you have zoning questions, or permittingservices@duluthmn.gov if you have building permit questions.

CITY OF FOLEY
COUNTY OF BENTON
STATE OF MINNESOTA

RESOLUTION 2023-12

A RESOLUTION APPROVING A PROPOSED 2023 TAX LEVY,
COLLECTABLE IN 2024

BE IT RESOLVED, by the City Council of the City of Foley, County of Benton, Minnesota, that the following sums of money are to be levied for the current year, collectable in 2024, upon the taxable property in the City of Foley, for the following purposes:

General Fund	\$ 1,802,550.00
Fire Department	43,360.00
Swimming Pool	24,220.00
2020 Refunding (2008 & 2011)	
Improvement Bond	252,000.00
2015 Improvement Bond	34,000.00
2018 Improvement Bond	0.00
<u>EDA Fund</u>	<u>120,406.00</u>
Total Budget	\$ 2,276,536.00
Less Local Gov't Aid	951,346.00
Total Levy	\$ 1,325,190.00

The City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Benton County, Minnesota.

Passed and adopted by unanimous vote of the Foley City Council, this 19th day of September, 2023.

Jack M. Brosh, Mayor

ATTEST:

Sarah A. Brunn, Administrator

We have had another successful summer at the pool. This year, we had a staff of 21 people. 15 of the 21 were lifeguards, 11 of which were also water safety instructors, and 5 of whom were pool attendants for us this year. Our staff this year was one of the best I have worked with throughout my four years at the pool. They strived each day to create a fun environment while also instilling the rules and safety at the pool. The staff did an excellent job creating constructive and fun lessons to teach young kids how to swim. At the conclusion of the season, performance reviews were completed. These were great ways to keep staff accountable in all aspects of the job.

This summer was an amazing summer for the pool. As an outdoor pool, we are at risk of closing due to weather or low attendance. This has been a common occurrence in past years, but this year it was a rare occurrence. We encountered few rain days and rarely closed early due to weather or low attendance. There were a few instances of pop-up storms on extreme heat days. In the event of those storms, and hearing thunder, we did have to close the pool for 30 minutes due to our safety policies we have in place. We had very cooperative and understanding patrons at most times, as this issue arose. There were a few instances in which patrons were unhappy. We worked together as a staff to try and resolve the problem while directing them to City Hall as further frustration arose. The staff proactively tried to communicate the risk of storms as we could, but in some instances, they came without warning. With the help of City Hall, we were able to work through these few upset patrons without too much frustration.

Swim lessons were a success once again this year. We offered three sessions of lessons this summer, while also adding additional lessons to some time slots. The community's desire for additional night lesson time slots was the reason for adding additional lessons. With the abundance of water safety instructors this year, we were able to accommodate this desire. We also offered and taught private lessons again this year. Weather was not an issue this year for lessons either. We did have to cancel a few classes due to some pop-up storms, but we never exceeded the two-class cancellation policy.

One of the changes from last year which we kept this summer was hiring pool attendants. These are individuals who are not lifeguard certified but help us with running the pool house. They run the till, answer phone calls, assist with swimming lesson sign ups, and answer any questions. We had a total of five pool attendants this year. It was very helpful to have them on staff each day, especially the hot, busy days. One downfall for the extra busy days is we did have to call in an additional lifeguard on occasion to assist with the large number of patrons in the pool. The Red Cross states 1 lifeguard for every 25 people. Once we hit 75 people in the pool, we need an additional fourth lifeguard. With having four lifeguards on staff and one pool attendant this does not allow for any of the lifeguards to receive a break once reaching 75 patrons. While this is okay for a short time, with excessive heat, and depending on the time of day this occurs, the lifeguards may not ever get a break. It is crucial for lifeguards to receive

breaks and get out of the sun especially on the hot, busy days. We tried to stay proactive by watching the weather and predicting whether or not we would need an additional lifeguard staffed or have one on call for the day. So, while the pool attendant has been extremely helpful, this is one instance in which it is nice to have the lead in the pool house, as we have done in previous years. This allows us to have that fifth lifeguard on staff, able to jump into the rotation at any point, rather than making a phone call to an additional lifeguard to come in.

This summer brought quite a few hot, busy days at the pool. The staff continued to keep the pool safe, despite the large numbers of patrons entering the facility. Something we continued to implement at the pool this year was a swim test upon entering the deep end. We have had this policy for many years, and it continues to be effective. We occasionally received criticism in regard to adults/parents needing to take the swim test, but we ensured equality for all by having everyone participate in the swim test in order to access the deep end. This policy is one that helps ensure the safety of all.

We truly had a great summer at the pool, with very few hiccups. This season brought many newcomers, as well as many regulars, who came to enjoy the Foley Municipal Pool. It is great seeing people of all ages enjoying one of few outdoor pools in the area. I hope this tradition will continue for many years to come.

I have worked with Sarah Brunn about all pool-related business this season. If you have any other questions, comments, or concerns, feel free to contact her. Otherwise, she does have my email and phone number should you wish to reach out to me directly.

Thank you,

Emma Thorsten

2023 Pool Manager

TO: FOLEY CITY COUNCIL
FROM: SARAH BRUNN, CITY ADMINISTRATOR
SUBJECT: 09-19-23 –COUNCIL MEETING
DATE: SEPTEMBER 15, 2023

SRO Legislation Update

Governor Walz has changed tune and now he's reluctant to call a special session to correct language in the education bill as it relates to our school resource officer. Staff has implemented some additional procedures in the school as recommended by legal and so far, things have gone well. The school is supportive of the SRO within the school. The Chief also wishes for the contract to remain in place for the safety of all our kids.

Housing Development

I've included in your packet a number of locations that could provide for housing expansion opportunities. The struggle in this economy is the cost of infrastructure. A couple decades ago the developers paid for and installed the infrastructure when putting in new housing. Now due to costs, many developers won't pay for the infrastructure and often want additional incentives to develop property into housing. The other challenge is the high price of land and interest rates.

I've included maps/concepts on a few potential locations for housing development. I'd like the council to discuss not only these locations, but also if they intend to help fund infrastructure costs to spur development.

In addition to these discussions, I encourage all of the council to review the housing study if they haven't already. It's an extremely large file so I've included the link to request a pdf:

<http://www.bentonpartnership.org/housing/benton-county-housing-study>

Lastly, the council should also refresh themselves with the city's land use plan that was adopted in late 2021. It is also available on the city's website:

<https://ci.foley.mn.us/future-land-use-plan/>

Downtown Redevelopment

We've had on-going discussions about the condition of our downtown buildings. We have not funded any programs in the past but really need to think about what can be done to revitalize this area. I get many inquiries on the buildings we have for sale and the following items keep coming up:

- Can I rehab the building to primarily housing? *Our ordinance requires the lower level be 70% commercial. We also require that all units must provide one off-street parking space and a number of the buildings cannot do this on-site. We are seeing a trend of smaller commercial spaces needed and a higher demand for housing.*
- Why can't we park overnight on the downtown streets? *Our current city ordinance allows for no overnight parking in the downtown corridor, year-round. This one continues to be an issue as potential buyers do not like the inability to park overnight on the street or close to a potential housing unit. There is an understanding of snow emergencies but a lot of questions as to why we keep that restriction year-round do come up.*

- Is there any funding to help with building repairs? *We have one program which is part loan, upfront cash, and forgivable loan. The program is cumbersome to apply for as it's tied to state money we received and often does not provide enough incentive to the prospective buyer.*

Industrial Park Infrastructure

I am working with the Benton Economic Partnership on an application for the state infrastructure program. Typically, this is to cover 50% of infrastructure (actual roads, pipe, etc.). We just heard back from the state that they have a lot of money available currently with the latest bonding bill. If we receive the funds, we'd need to come up with our half in order to install. No decision on this needs to be made until an actual award of funds.

ARPA Funding

The City received ARPA funding of approximately \$292,000 but has yet to spend it. We initially anticipated it being used for broadband expansion but as of late are receiving indications that the county is likely not going to be running that fiber line from St. Cloud to Foley. This money can be used for broadband or critical infrastructure such as sewer and water.

The county also has available ARPA funds and has approached the city about committing dollars to a potential city project. They are looking to help Gilman fund some sewer infrastructure, and have committed to Sauk Rapids to help fund infrastructure for future development. The council should have some discussions on what we could possibly need some help with. We must keep in mind that all ARPA dollars must be committed by the end of 2024 and spent by 2026. When choosing a project, we should be mindful that we can meet this deadline.

Current City Infrastructure Needs

Staff will provide an update to the council at the meeting regarding other city infrastructure improvements – including the 2025 Broadway/4th Avenue N project, water improvements, PFAS, etc.

Ordinance Amendments Related to Future Development

I'd like to have a discussion on potential ordinance amendments to consider. There is a demand to provide more flexibility with development, such as mixed use within a development. We also need to consider providing higher density in areas of the city, such as twin homes, tiny homes or accessory dwelling units within the single-family residential areas. With such high building and infrastructure costs we need to find ways to make homes more affordable. Before bringing this to the planning commission, I'd like the council to have a discussion on what we envision for the community and are comfortable exploring further.

2024 Budget – Preliminary Levy

We have included the preliminary budget in your packet with a 3.56% increase. Remember, this number cannot be raised, only lowered after the preliminary levy is adopted. This budget does include the implementation of winter sewer rates as discussed during the budget workshop. The council will act officially on the fee schedule separately at a meeting later this year.

Our preliminary levy is quite low when compared to neighboring cities. Here are what are neighbors are looking at:

- St. Cloud – 8.58%
- Sauk Rapids – 8.21%
- Waite Park – 7.9%
- St. Joseph – 16.55%
- St. Augusta – 6.8%
- Sartell – 9.59%
- Mora – 24.44%
- Milaca – 4.43% (Milaca did note they made significant cuts to their capital plans to get to this number)

Keep in mind that operating and capital costs have risen by historical levels and our budget does not provide much wiggle room. I also anticipate that future budget cycles will also be difficult when continuing to defer capital projects. I'm hopeful development will begin to help ease these issues; however, additional city investment will likely be required for future development as well.

Pool Manager Update

The pool manager provided an update for the council on the operations of the pool this past year. We still haven't wrapped things up completely (expenses still coming in) but I can say we had a good year. However, expenses do keep rising and will continue to be a challenge with higher wages and also significant amounts of new legislation that will raise our operating costs and payroll expenses.

Upcoming Reminders:

October 3rd – Council Meeting

October 9th – Holiday – City Offices Closed