

**STAFF SUMMARY
CITY OF MINNETONKA
STUDY SESSION
MONDAY, OCTOBER 21, 2002
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Council Present: Ken Tauer, Jan Callison, Al Thomas, Terry Schneider, Linda Koblick, and Mayor Anderson

Excused: Dick Allendorf

Staff Present: John Gunyou, Geralyn Barone, Kathy Magrew, Geoff Olson

Others: Jeff Schoenbauer, Brauer & Associates
Eleanor Berscheit

Mayor Anderson called the study session to order in the Boards & Commissions Room at 6:35 p.m. She noted who was present, saying that the park board had been invited, but no one from that group was present.

1. Reports from City Manager and Council.

City manager John Gunyou reported that the next regular council meeting would be held on October 28. The November 4 study session will include discussions of tiered water rates and undergrounding of utilities. Gunyou provided a brief preview of the tiered water rates, noting that while the average user will see little change, lower users will see a decrease in cost, and higher users will see an escalating increase.

Council member Callison reported that she and council member Koblick attended a Minnetonka Schools community education breakfast. Council asked staff to verify if a replacement was named for Richard Wilkerson.

Anderson thanked Callison and other council members for filling in for her during the past few months. She noted that the mayor is invited to a number of functions, and most of them are important. She suggested that council members might want to help prioritize these events in the future. Anderson summarized her activities with NLC for the balance of the year.

2. Civic Center Master Planning Process.

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Gunyou introduced this item. The last civic center planning process occurred 17 years ago. In recent years, additional features have been added to and suggested for the civic center campus, and council has requested that the master plan be revisited.

Gunyou said that staff obtained a proposal from Brauer & Associates for a four-to-five month process. That proposal was distributed in an addendum. The process would be different than the parks renewal planning process and would look at the issue from a community-wide perspective. The process would identify uses that should be on the campus and provide an overall plan for where they should be compatibly located. This framework would then serve as a guide for future detailed planning.

Jeff Schoenbauer of Brauer & Associates said that the process would be inclusive and would take the information to a level where the council could make good decisions. The process would establish overall themes and directions so that specific uses could be further developed in the future.

Gunyou said that Schoenbauer would be the independent, third party who would work with the various groups, including staff, the city council, the park board, and special interest groups. Barone noted that Marjorie Pitz was the consultant who created the last master plan.

The importance of sensitivity in dealing with the horse ring was discussed, and Schoenbauer said that he has worked with lots of horse groups in other parks. He said that the issue would be to decide the best use for the campus, and offer alternatives to users that cannot be accommodated.

Callison pointed out that task #3 called for a comprehensive assessment of needs. She asked if the recreation department had already accomplished that task. Barone said that the park board has done some work on this task as part of the POST plan. Schoenbauer said that he would not duplicate past work. He also said that it might be worthwhile to include a few questions in the next community survey. He saw merit in getting a sense of the issues before drafting those questions.

Council member Schneider asked if Schoenbauer's fee would include public hearings. Schoenbauer said that the fee was based on other similar projects. He anticipates some public meetings.

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Gunyou noted that funding has not yet been identified for all possible uses. The current CIP includes funding for the communications tower and some Community Investment Fund money is available for other uses that might arise from the planning process. Anderson added that during the last planning process, there was only money to build the community center.

Gunyou said that the process would provide an opportunity to discuss options that were included in the last plan but have not been implemented. Decisions can be made on whether or not to continue to plan for them.

Anderson asked if council input would happen at a council study session. Gunyou and Schoenbauer said that the process would initially include individual meetings with council members to help develop a broad vision. Public hearings and review meetings would follow.

Council member Tauer suggested that the planning process not stop at the wellhouse on the east. He suggested continuing further eastward to look at trail potential. Schoenbauer explained the areas that would be included, and added that related roadways would also be discussed. Gunyou noted the need to address the road system from a capacity and safety standpoint. Assistant city manager Geralyn Barone said that the in-house safety committee had also asked for traffic on the campus to be addressed.

Gunyou noted that the city's summer festival is currently focused on the parking lot. He suggested that the study look at how better to use the green spaces on campus. He said that the use of the space could be improved, possibly without much additional expenditure.

Callison asked for an update on the antenna process. Gunyou said that he and Joy Rikala discussed the issue last week. Rather than push the antenna process forward at this time, Gunyou proposed to have that process happen concurrently with the civic center planning. Lt. Mike Olson is looking at locational options for the tower on the civic center campus. An immediate decision is not needed because there is still time to meet the tower construction deadline. Gunyou cautioned that it is not likely that there will be another location for the tower. Callison said that it made sense to mesh the two processes.

Anderson said that the proposal looked good to the council, and they were comfortable with proceeding. She asked that staff keep the council advised of

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meetings and focus groups. Gunyou said that the process would begin with input from the council and smaller groups before moving to public hearings.

Schoenbauer left.

3. Open Space Preservation Program Status Report.

Gunyou provided an introduction, noting that the parks renewal component of the referendum has been straightforward and very well received. Open space is more amorphous, since each property is different and preservation strategies must necessarily vary to fit the situation.

Gunyou said that Magrew has been involved in the acquisitions, and Olson has been involved during discussions with the planning commission and in conservation developments. Gunyou said that some outside help has been used for more complex situations.

Gunyou pointed out that the \$7.5 million allocated for preservation will not buy a great deal with Minnetonka's land prices, and in three years it would buy even less. As a result, the overall strategies attempt to leverage resources by limiting the number of outright acquisitions and emphasizing the negotiation of easements and partial dedications. He said that staff was seeking council's direction before proceeding further.

Gunyou said that the park board had been invited to the meeting. Steve Watkins had emailed to say that he could not make the study session. Watkins noted that the staff recommendations were consistent with the park board's plans.

Gunyou said that staff sought a reasonable approach, and considered the value of a property to the community, not just the property's possible value on the open market. Gunyou said that he has become more encouraged about what can be accomplished as the information has been assembled and negotiations with owners started.

Barone noted that some property owners have a strong interest in preserving their land, and staff is working with them. She said that this would likely be the last time the total plan would be brought forward for council discussion. Hereafter, the results of individual negotiations would be brought to the council.

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Schneider suggested that staff provide an overall summary with each transaction.

Gunyou said that if major changes arose subsequent to this study session discussion, staff would distribute that information to the council in a confidential memo. He had consulted with the city attorney regarding which information could remain non-public. Efforts were made to achieve a balance so that people know how their tax dollars are being used. A great deal of public information is being provided, with only appraisal and detailed negotiating strategies kept confidential.

Anderson asked for an update on the former Wade property. Barone said that it is on the list as parcel 41. The city has a right of first refusal for the property, and there has been no activity since it last sold.

The discussion then moved to the proposal for a \$500,000 neighborhood match program. Callison asked about criteria. Gunyou suggested that the program should be well defined to insure equity, and generally follow the process used for the matching purchases in the Tonka-Woodcroft area and along Highland Road. In those cases, the city put in \$30,000 to \$40,000, neighbors put in about one-third, and the property owners also contributed a similar amount through donations. The city's contribution was about 30 to 40 percent. Gunyou saw some merit in establishing a maximum city contribution. He said that \$500,000 would probably cover about a dozen situations. He noted that neighbors often initially say that they are willing to contribute toward the preservation of a property, but are more reluctant when actual funding is discussed.

Barone asked how much the council would want to promote the program. She noted that the previous transactions occurred when development was threatened. Callison supported promoting the program, and providing clear guidelines of what the city was seeking.

Schneider said that the concept had merit. He was concerned that the fund would be perceived as a way to stop any development. He suggested creating well defined criteria. He noted that developers would avoid the cost of making a lot developable, and felt that a higher level was needed because public funds would be used.

Barone said that the four criteria for preservation could be used, but in these types of neighborhood circumstances, more emphasis might be placed on environmental features than on high visibility.

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In response to Tauer's question, Gunyou said that the city has no time limit to use the funds. The time frame starts running when bonds are sold.

Thomas supported the use of specific criteria. He was concerned that some groups could argue the environmental issues quite well. Gunyou said that the intent was to use this program for smaller properties. He suggested setting a limit for the city's contribution of no more than one-half of the cost or \$50,000. Tauer supported the \$50,000 limit, and said that neighbors could contribute more.

Callison was less concerned than Schneider that the program would be used to stop development. She did not think that the program should be limited to marginal lots.

Gunyou said that despite the well publicized referendum, there had only been one inquiry in the past year for small purchases of this type. He was concerned that if the program were widely promoted, it could become a first come, first serve situation. An alternative would be to make the program known as situations arise. Callison supported marketing the program.

Schneider said that it would be hard to envision a scenario where the program would be used without the threat of development. If a property could not be developed, he questioned the city paying for it. Tauer agreed with Schneider that the program should not be advertised. He said the problem properties would surface on their own.

Gunyou said staff was also concerned about balancing need and ability to pay. Some wealthier neighborhoods might be more willing to contribute than less affluent areas. Barone noted that the Tonka-Woodcroft area was not an expensive area. She said that it included a larger area so there could be more contributors.

Schneider suggested that as the program moves forward, thought be given to how to maintain the properties.

Anderson suggested a middle ground where there would be no active advertising, but that information could be made known earlier in the process by the planning department.

Koblick noted the difficulty in reaching people until a need arises.

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Anderson summarized that the council supported assigning funds for this program. She noted that the council would like criteria developed, and a maximum amount established. She questioned if \$50,000 would be enough.

Callison said that she would prefer to be more proactive. Koblick said that ward council representatives could advise staff of potential properties for the program. Callison said that some neighborhoods are sensitized to development, and they may not need to wait for a development to be proposed.

Gunyou asked what would happen if the program were too successful and the money was quickly depleted. Callison said that with established criteria, that was not a likely risk. The taxpayers voted to have the money available. She questioned not making its availability widely known.

Gunyou asked if \$500,000 was sufficient, or whether council wished to increase the set-aside. The council generally thought it was a good start, and said that the amount could be revisited in the future. Gunyou suggested that the issue be revisited in a year, and said that staff will develop criteria.

Anderson noted that some of the obvious parcels for preservation were already addressed in other ways. Tauer was concerned about expending too much money for acquisitions that would only benefit a few neighbors.

The council then discussed the individuals properties designated for preservation, including:

- 1) Cargill property – Callison noted previous discussions about soccer fields on the property. Barone said that Linner Park is close, and this property would mainly provide a trail connection to the park. She questioned the appropriateness of using open space dollars for active park uses. Callison asked if other funding sources could be used. Barone said that other funds were limited, and that Cargill might not support a transaction that would result in the land being used for a ball field. His primary interest is preservation of open space.

Gunyou noted that the property's close proximity to the railroad tracks had previously deterred the property's sale. He suggested that the city might offer to acquire some of the land for a trail

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connection and open space at a percentage of the market value of the total parcel, and allow Cargill to market the house.

Anderson noted that there has been neighborhood opposition to a trail connection. She suggested obtaining sufficient land for a connection and also a buffer.

Koblick said that this is a large property in the center of the city, but she questioned what the city could do with it. To support acquisition, she would need to know the intended use.

Gunyou asked for direction on the appropriate amount to pay for a trail easement and open space. He did not think that total acquisition would be affordable.

Tauer would support acquisition of the trail easement if it would overcome the neighborhood issues. Anderson said that the connection makes sense to the city's trail system. Thomas supported the trail connection, even if a portion of it is needed to be along a street because there are numerous such trails in his ward. Thomas said that it was a great property, but said that the city could not afford to buy all of it. Callison noted the ecological value of a portion of the property.

Gunyou summarized that staff would contact Cargill to discuss the partial easement option.

- 2) Fuller – the council supported the staff recommendation to do nothing with this property at this time.
- 3) Ann Cullen Smith – Barone provided background information of discussions with Smith, her son, and their estate attorney. Mrs. Smith has a strong interest in preserving her property, and staff is working with outside counsel to structure a possible agreement that meets the owner's needs. Gunyou summarized staff's strategy for acquisition using estate planning to maximize the value to the owner and minimize the city's outlay.

Tauer said that if the city acquires the property, the public should have access. He supported a loop trail. Anderson said that this

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property would also provide trail access for the Indian Hills and Crown Ridge neighborhoods. Barone indicated that the owner is open to allowing trails on the property, and it is in close proximity to Meadow Park.

Callison said that this was the key property on the task force's list to acquire. Barone said that it is the only urgent priority parcel. Callison noted the diversity of habitat the property provides.

- 4) Elscott/Paul/Jones parcels – Barone reported that staff had negotiated a purchase agreement with Jones.

Callison supported buying all three properties. Gunyou noted that all of the property owners are not yet willing to move. Magrew has been working with them to negotiate terms that meet their individual needs. The goal would be to enter into purchase agreements as soon as possible, taking into account the owners' interests.

Tauer was not as positive about spending the funds necessary to acquire a view to the creek. Callison said that the acquisitions were in keeping with the spirit of open space. Tauer said that he would reluctantly support these acquisitions.

Anderson said that these properties could also provide a public use, such as a picnic area.

Barone said that the homes could be rented until they are demolished, but the goal would be to remove them. She noted that these acquisitions would improve the viewshed from the creek, and said that some landscaping of these properties would be needed.

Anderson asked if Hennepin County would contribute to these acquisitions because it might close some access points. Schneider said that the city should maintain some access if any future use was contemplated.

Thomas supported the acquisition of these parcels. Acquisition would provide green space, access to the creek, and buffer the creek to protect water quality. He said that the public will not need to see all the way into the property, but the edge of it will improve

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the view. He said that if the city doesn't buy these properties, someone else may, and they would likely build a bigger house, which would not be good for the creek.

- 5) Samaritan Tire – Barone said that planning staff has been talking with potential developers for this property. She noted that the Creek Corridor Study recommended a canoe access and picnic area at this location. These goals could be achieved with partial development of the site.

Thomas noted that there were lowlands on the site. Anderson added that there was a steep slope, and hoped that it would be protected. She said that a development could provide shared parking for use of the park facilities.

Callison supported acquisition, but said that the likely price made such an option less desirable. She suggested buying an access easement. Anderson was not willing to trade off what the city wanted for higher density.

A discussion of the latest development proposal followed.

Tauer said that the city needs to be proactive and not wait for plans to be submitted. He noted that the city had changed the guide plan.

Schneider said that the developer is objective and pragmatic, but might need to scale back his current plans. He suggested that the developer be advised that the city is willing to move from its "no-build" position.

Gunyou noted that the developer has only spoken with council members at this point. It was decided that staff would contact the developer and arrange a meeting to include Olson and Gunyou.

Tauer noted that the site is not beautiful and suggested that a building might approve its appearance.

Schneider said that the developer's major concern is clarity on the guide plan issue.

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- 6) Zimney – Council supported staff’s recommendation. Tauer noted that the property is unsightly. Barone said that the building footprint could not be expanded, and Schneider said that there would be no basis for a variance.
- 7) Anderson – Council supported staff’s recommendation. Tauer requested that staff check on the status of a nuisance complaint about the property.
- 8) Andrs – Tauer supported the importance of preserving this property. Schneider suggested that the city should be willing to pay a premium to preserve this unique property. Callison also supported more aggressive pursuit of the property. Gunyou discussed possible strategies.
- 9) Westmark – Council supported staff’s recommendation to take no action on this property.
- 10) Meadowwoods – Council supported staff’s recommendation for continuing to pursue conservation development for this parcel.
- 11) Highway 7/Highland Road (#29) – Council supported staff’s recommendation for conservation development for this parcel.
- 12) Tonkawood Office Building – Koblick suggested contacting the Highwood Drive neighbors who had wanted to maintain this property as a buffer to explore their interest in a contribution.

Schneider agreed, and said that the neighbors’ contributions could be added to city funds. He expects that this property would be difficult and expensive to develop due to the access issues.

Tauer suggested buying the rear half of the property and allowing a small building in the center. He supported seeking contributions from the neighborhood. He said that the only value of the property was to buffer the neighbors. Anderson disagreed and said that the property provides a classic view shed.

Thomas supported having the property as a buffer along Highway 7. He saw the property as a high priority due to its visibility.

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Schneider supported setting realistic limits on the value. Callison also supported negotiating for the right price. Gunyou summarized that the council wanted staff to be aggressive in pursuing the property, but not pay more than the appraised price.

- 13) Penaz – The council supported setting aside dollars for future acquisition of this site. They wanted to maintain the barn on the site. Schneider suggested pursuing a right of first refusal.
- 14) Uppal & Dickinson properties – Barone said that conservation development was recommended. Schneider suggested that the city should own the property to the south. Callison and Tauer agreed. Schneider said that any development of the Dickinson property would compromise the ridge line, and Anderson noted the extraordinary efforts that city had made to preserve the ridge.

Gunyou noted that \$50,000 was set aside during the Clarion Hills development for possible acquisition of the Dickenson property. Olson said that the city attorney was of the opinion that the city would only need to allow one house per lot should the property develop.

- 15) Fuhrman/Dwight – Barone said that this property borders Reich Park but is not as visible. Gunyou said that the property did not offer the widespread benefit of the Smith property because it is tucked into a single neighborhood.

Anderson saw benefit in acquiring the property for possible future expansion of the park. Schneider said that park dedication funds could be used, but Barone noted that this fund did not have a large balance. There was general council interest in preserving the cabin, and moving it to another location within the city.

Gunyou summarized that council direction on the individual negotiating strategies was consistent with available funds, but that there will be variations as negotiations continue.

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4. Adjournment.

The study session adjourned at 9:10 p.m.