

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 1**

---

**Council Present:** Jan Callison, Bob Ellingson, Terry Schneider, Al Thomas, Tony Wagner, Brad Wiersum and Mayor Karen Anderson

**Staff:** GERALYN BARONE, ELISABET BERGER, AMY CHENEY, DALE EGGENBERGER, JOHN GUNYOU, LEE GUSTAFSON, VIRGIL HERRMANN, DAVE JOHNSON, KATHY MAGREW, GEOFF OLSON, MIKE OLSON, DESYL PETERSON, JENNIFER POSMA, RON RANKIN, JOY RIKALA, GREG STICHA, BRIAN WAGSTROM, JOE WALLIN

**Others:** ELEANOR BERSCHEIT, LEE MUNNICH - HUMPHREY INSTITUTE, MEGAN MOWDAY – HUMPHREY INSTITUTE, FERROL ROBINSON – SRF CONSULTING GROUP, AND DARRYL TAAVOLA - MNDOT

Anderson called the study session to order at 6:30 p.m.

**1. I-394 High Occupancy Toll (HOT) Lanes**

Lee Munnich provided a presentation to the council regarding the MnPass program on I-394. The presentation included the following:

- Background information
- I-394 Express Lane Community Task Force
- Explanation of how the express lanes work
- Where the concept has been tried:
  - San Diego and Orange County, California
  - Houston, Texas
- Lessons learned from recent experiences:
  - Drivers are willing to pay for premium service.
  - Dynamic pricing regulates demand.
  - Expressways maintain premium speeds while adjacent lane speed also increases.
  - Demand for bus and car pool use has increased, not decreased.
  - Violation rates have declined due to additional enforcement and because people have a legal way to use the lane.
  - Express facilities can be self-supporting
  - Public support is high in places where HOT lanes have been tried.
- Why I-394 was chosen:
  - General-purpose lanes are chronically congested during rush periods.
  - The HOV lane is underused.
  - The Federal Highway Administration urged changes, including a HOT lane; opening HOV lane to all traffic is not allowed by FHA.
- MnPass objectives are:
  - To improve efficiency of I-394;
  - To increase person-in-vehicle carrying capabilities of HOV lanes;

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 2**

---

- To maintain free-flow speeds (50-55 mph) for transit and car pools;
  - To improve highway and transit corridors with funds generated;
  - To use electronic toll collections tags, transponders and readers;
  - To employ Intelligent Transportation Systems (ITS) such as dynamic pricing and in-vehicle electronic enforcement.
- User Fees  
Price per driver will depend on HOT demand. The price will go up when demand is high, and go down when demand is low. Market forces will ensure the express lane remains uncongested.
- Revenue Use  
Revenue will be used first to pay the costs of project infrastructure, administration, maintenance and operations. After that, by state law, 50 percent of excess revenues are to be used for transit improvements and the other 50 percent for use by MnDOT to make other improvements in the I-394 corridor.
- How cheating is reduced  
Electronic monitoring using read-write technology helps law enforcement officers determine whether or not user has paid.
- Taxpayer benefits from:
  - A project that pays for itself;
  - A project that pays for additional improvements;
  - Additional capacity that costs less than new construction or expansion.
- Level of support across income levels:
  - HOT lanes act as optional insurance when users are late for work, an appointment or daycare. All income groups use the express lanes. In Orange County and San Diego, there are high levels of support across all income groups. Women tend to use the lanes more than men.
  - A January 2004 survey by the *Star Tribune* shows there is support in all age and income groups for toll lanes. There is the most support among 18-24 year olds and those making less than \$30,000 per year.
  - A 2002 study of metro area residents showed that 57 percent of those surveyed supported having the option of paying a fee to use an uncongested freeway when in a hurry.
- Schedule
  - Community input started with the task force last year and will continue through this summer.
  - A consultant was selected in January 2004.
  - Design is scheduled for completion on July 1, 2004.
  - HOT lanes are scheduled to be operational on Dec. 31, 2004.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 3**

---

Mayor Anderson asked if there would be read/write technology plus enforcement. She stated there is a concern there will be an undue burden placed on the local police department.

Robinson said enforcement is a recurring concern. There are three methods of enforcement:

- Visual check: Officer counts people in the car.
- Electronic: Each vehicle has a tag (transponder) that a reader can scan. The reader can also write information onto the tag. As a car with a transponder goes under the reader it will emit a signal that officer can hear inside the patrol, if the patrol car is directly behind the car.
- Patrol vehicles: Patrol cars are equipped with a mobile reader with antennae. At any point along the route, regardless of where it is in relation to car, it can focus on the car and determine if there is a valid transponder.

Also being discussed for enforcement:

- Red light mounted on overhead gantry where reader located which would be triggered if transponder not valid. This would create peer pressure as well as indicate to patrol officer that an invalid transponder is being used.

Callison asked if it would be easy to put a “bag” on.

Robinson explained that a “bag” is used when a person who normally drives alone has a second person with them on a given day. They can cover the transponder with a “bag” so as not to be charged. In other cities, drivers will play dumb and put the transponder in a “bag,” then when they are stopped the driver claims the reader is malfunctioning.

With antenna and read/write technology, the patrol officer can determine when the tag was last discounted, so if driver passed through a previous reader/location without the price being discounted, the officer can tell if they were trying to cheat.

Anderson said most of the mentioned enforcement techniques require an officer or a squad car to be in the area. She asked who currently enforces HOV lanes and, also, since this plan would have readers a lot further west than HOV lanes currently are, how would the enforcement costs be covered.

Robinson replied it is assumed part of the revenues that come from toll collection would go to pay for additional enforcement. Those details are being worked out. He said they are developing an enforcement plan with MnDOT. He said they have contemplated adding two full-time officers, an increase over what currently exists.

Taavola said for the most part they would rely on the State Patrol, but do want to

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 4**

---

discuss opportunities with local communities to see if interagency agreements could be established. Under the interagency agreements MnDOT would pay overtime to get support from local law enforcement agencies. Those discussions, have not been finalized anything yet.

Schneider asked how would they establish a monitoring process to look at the changes in habits and traffic patterns

Munnich said there would be several components to the evaluation. One, a survey will be done of users and non-users in the corridor and also looking at a control group on I-35W. They would be surveyed in October and April. Follow-up surveys would help determine perceptions, likes and dislikes, whether those surveyed used it and whether it changed travel behavior. There will be a lot of data collected from the corridor itself including vehicle counts and speeds. They plan to start the evaluation before the project begins.

Thomas said he hardly drives this area, but when he does one-person vehicles in the HOV lane often pass him. Violators are pulled over if a squad car is around, but only one city along I-394 enforces the law. When drivers are pulled over all three lanes are affected. Thomas asked since HOV lanes can't be controlled now, how will read/write help.

Robinson said they are relying on a number of alternatives to reduce congestion, including the following: double stripes of white line will separate the diamond lane from other lanes, and it will be illegal to cross them. Users of the lane cannot get in and out at will, although there will be openings to get people in and out safely. Enforcement will help people from going in and out willy-nilly. Technology will help also. One of the reason violation rates has declined elsewhere is peer pressure – cheating is much more visible and now violators taking a service for free that they should be paying for.

Wagner asked if there has been any discussion of making lanes bidirectional.

Robinson said MnDOT is thinking about Phase I, which includes pricing and striping. If Phase I is successful then MnDOT will move to Phase II. Phase II would involve three major parts:

- A reversible section would be created with two lanes inbound and one outbound in the morning and two lanes outbound and one inbound in the evening. This will give buses a great advantage.
- Second, there is a possibility of creating four lanes in both directions in the barrel of the tunnel.
- Third, by making reversible lanes directional, improvements will be made to

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 5**

---

Highway 100 directional on and off ramps.

Thomas asked if a person enters 394 East at Hwy 100, would it be cheaper than getting on from 494. Robinson said no, not for traveling that same section.

Ellingson asked if the federal government would allow HOV to be available at no cost, would that be a better approach than this toll option.

Robinson said they already reviewed that option. The most cost-effective solution is the HOT lane. If the HOV lane to all traffic, there is no management of how much traffic accesses it. So, within a short period the HOV lane would be just as congested as the general-purpose lanes due to pent-up demand.

Anderson thanked Robinson for his presentation.

## **2. Capital Improvement Program (CIP)**

Gunyou reviewed the information regarding the CIP. He noted the plan does not assume a restoration of state cuts, which is an unknown. If the funds are later restored, they will be treated as a one-time resource and the CIP will not be adjusted. The windfall would be added to fund balances, some of which are close to the minimums. He said this CIP and the operating plan are consistent with a 4 percent annual growth in taxes.

Gunyou said increases in recent years are attributable to the parks and open space referendum and water system and storm drainage improvements. Noteworthy projects include the civic center master plan; street and highway improvements (including ungrounding power lines); storm drainage (includes Nine Mile Creek projects); water and sewer system improvements; technology improvements (tower and fiber); and various building and equipment projects. Two issues for further council discussion include the town hall and the community play lot.

Gunyou noted that Table I now combines funding sources and expenditures.

Wiersum said in 2005, user fees were \$12.8 million. Every other year is \$2 million. Eggenberger explained that water bond proceeds fund 2005 projects, and user fees pay for the debt.

Schneider suggested that a separate category for bond proceeds might be more appropriate.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 6**

---

Callison questioned the variability in annual funding for Undergrounding projects. She thought the revenue would be steady year by year. Gunyou responded that the revenue will be relatively even, but that the project requirements will vary. Differences in cash flow requirements will be managed with inter-fund loans.

Anderson asked about the source of the federal grant. Rikala replied that it was a Homeland Security federal grant.

Anderson noted the city had relied on franchise fees as the revenue source for the cable television fund. She wondered if the city would lose franchise fees due to a bill going through Congress. The multiplicity of services provide by cable companies could affect the definition of Internet services. It could be quite damaging to the city if franchise fees were eliminated.

Gunyou reviewed the Town Hall project. He said the city sold the Town Hall about 30 years ago to a church with a provision that the city would have the right to move it should the church wish to expand onto that property. The church is considering a building project in which the Town Hall would no longer be needed. There is a distinct possibility that the church will need the land in 2005.

Gunyou said the possible reuse of the Town Hall has been in the CIP for the past two years. A study group recently reviewed the project and determined there are no outside funding sources available. This year, the front columns were removed. If the Town Hall is moved, the most appropriate site for placement is probably at the east end of the Minnetonka Mills area.

Gunyou said detailed cost estimates of moving the Town Hall have been developed. To move the Town Hall, place it on a foundation and board it back up would cost from \$60-70,000. Making it habitable would cost more than \$400,000, including improvements to make it ADA compliant and updating HVAC and plumbing systems. Possible uses include a senior craft shop, museum, or a partnership with a retail outlet similar to Eden Prairie and Dunn Brothers. Gunyou requested council feedback on this topic.

Callison asked if there was room to place the Town Hall on the east end of Minnetonka Mills without removing the senior gift shop. Gunyou said the gift shop might be removed and replaced with a parking lot.

Wiersum said the issue is compelling since it is one of the most historically significant buildings in the city, but he wondered if the city could afford it. He suggested moving it without making improvements, and then looking at creative financing opportunities.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 7**

---

Anderson said the city might have more time to decide its course of action since the church will not be making a decision in 2004.

Ellingson said from his experience on the Hennepin County Parks Board, he recommends either tearing it down or fixing it up, rather than boarding it up. Experience has shown that it could get vandalized. He supports improving it.

Schneider said he is lukewarm on the idea. He said he does not support moving it without improving it; it needs a good use.

Callison said she supports saving the building, although it would need the right use. She suggested looking at improvements to the whole Mills area.

Anderson said she supports keeping the building. She gave an example of historic structures that were torn down. It would be too expensive for private interests to fix up, but the city doesn't have the resources either. She said the city needs a wider vision beyond the Mills. She talked about a park extending from Big Willow all the way to the Burwell House and that it would be nice to have self-guided walking tours.

Anderson suggested that the city needs a plan/vision for the whole area. She did not support using the building for the senior gift shop because it would not be accessible and the gift shop is only open limited hours. That could be a short-term use, though. Anderson knows of one property owner in the Minnehaha Creek Corridor who is holding out, but eventually the city will get use of that corridor. She agreed with Callison that the city needs a plan.

Thomas said he likes the idea of a wider vision, noting he is less than lukewarm if the Town Hall is just moved and used as a craft shop. If there is a larger vision of the area, he is willing to support it. He was on the park board when Burwell was operated by others and not made available to the public. He did not think that made sense. He would not want that to happen to the Town Hall.

Wagner said he is a big fan of saving history and there are not many opportunities. He believes this is a great chance for a walkable area – a place for people to enjoy that part of the city.

Gunyou noted council consensus in developing a master plan for the Town Hall and Mills area.

Schneider suggested including the community play lot into such a planning effort. He said this area warrants an outside consultant beyond the staff.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 8**

---

Anderson said about six or eight months ago a resident contacted her to make a donation to the city. He liked the idea of a small band shell with a community gathering space in the area between Mills and Big Willow. City staff thought the area was too constricted, and suggested Lone Lake Park. The resident was not interested in that idea. Callison suggested including properties to the west of the Burwell House.

Wiersum said he was very supportive of saving the Town Hall and finding the best way to use the space. He had questions on the church's timetable and asked what needed to be done by the city within the next twelve months. Gunyou said there is enough time to complete a study. Anderson suggested renovating the inside so it would look like a town hall.

Schneider said he would like to tour the building. Magrew said the inside includes the original tin ceiling covered by acoustical tile and the original wainscoting. Gunyou said an early part of visioning could involve a council tour. Anderson said there is a lot of history in this area such as the cottages built by Charles Burwell for the mill workers.

Council next discussed other capital projects.

Regarding the police vehicle security fencing, Anderson asked to make the fencing look good. Callison suggested completing the project sooner if it only costs \$18,000. Rikala said they are concerned regarding the aesthetics and protection of their vehicles. Anderson asked if the project could be moved up. Gunyou said that if it becomes a more critical issue the CIP could be amended. Callison asked that staff keep an open mind.

Regarding the paving of the outdoor ice rinks, Anderson asked if this was separate from the park renewal bonds. Barone replied yes.

Regarding the loop trail segments for 2006, Schneider asked what would happen if the county funding does not occur. Gustafson said it is tied to the Shady Oak Road project. The county will fund the trail as part of their cost participation policy. He added if it is a problem, trails are eligible for state aid funds on road projects.

Regarding the loop trail segments for 2009, Thomas asked about Ridgewood Road and Sparrow Road in conjunction with the Meadowwoods development. Gustafson said the north/south trail would be constructed as part of the development because this is when it coincides with road projects. Gustafson said according to the street improvement program Sparrow Road is scheduled for 2007. Thomas said the

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 9**

---

neighbors would consider 2009 as too far out. Callison asked if they are putting part of the trail on Ridgewood as part of the Meadowwoods development. Gustafson said there would be a stop sign on Sparrow Road to the new development that would provide a link. Thomas inquired about trail maintenance and Wagstrom said \$1500 per mile is the cost for maintenance.

Wagner asked about the loop trail segment from Cedar Lake Road to the Minnehaha Creek Canoe Landing in 2007. He wanted to know why it doesn't extend to CR 73 north of Cedar Lake Road. Gustafson replied it is in the plan with provisional funding status.

Regarding the civic center master plan, Schneider asked about the planning process. Gunyou said the plans would be brought to the council once they were prepared.

Anderson asked to have the schedule and project status for the park renewal process revised to reflect the current status.

Schneider asked what type of surfacing would be used for the play structure ground surfacing. Wagstrom replied that it would be resilient rubber.

Ellingson asked if all of the money would be spent for the park and open space bonds. Barone said over \$1.3 million has been spent so far and another \$6.1 million was reserved for the projects.

Gunyou next discussed the proposed community play lot. He noted staff had concerns that the location west of Big Willow Park was difficult because of the limited area; creek and highway safety issues; proximity to neighbors; and available area for parking. He suggested council consider an alternate location - Lone Lake.

Gunyou also suggested that given council's prior interest in this area, it makes sense to include the possibility of a community play lot in the historic Mills corridor area. The planning study could determine how big a facility could reasonably fit in this area.

Callison said she is glad to see it funded and said she doesn't like Lone Lake Park because it is too isolated. She prefers the Minnehaha Creek corridor.

Schneider concurred with Callison and would strongly oppose locating a community play lot at Lone Lake. He said there is no need to be shortsighted just because someone doesn't want to sell to the city. The area has so much going for it.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 10**

---

Anderson agreed. She said the play lot could slip into Big Willow Park. She asked that the study keep in mind houses north of creek by planning less offensive activity and looking at the creek as a benefit.

Schneider said the city needs a focal point for families to go and a community play lot is at the top of the list.

Wiersum said to plan this in a big way and to use the following approaches in combination: the Town Hall, family focused play area and the center-of-city approach. Gunyou noted that by broadening the project benefits there is stronger justification for using the Community Investment Fund.

Council then returned to discussing other CIP projects.

Anderson asked for the Linner Park-Crosby Road trail segment to be shown as constructed.

Callison asked if there were any public buildings that would not have the automated external defibrillators. Johnson replied that all were included. Callison asked if the Lindbergh Center was included. Johnson said the school district would cover that location. Wagner asked about Westridge. Johnson said it was not included since it had low usage.

Anderson suggested looking for homeland security dollars for the technology purchases/upgrades. Rikala said two other grants were submitted for interoperable communications to be funded with \$190,000 and \$325,000 capital bonding projects through the legislature. She should know the status by July.

Anderson asked if the project for the 800 MHz trunk conversions would be moved up. Rikala reviewed grant funding related to this. Anderson asked to have the pages updated based on what funding we eventually receive.

Anderson asked if the 911-center software upgrade project could be moved forward. Gunyou said it is in the technology fund and he will update the information.

Schneider mentioned he was on the metro GIS policy committee and had a presentation from the Metro 911 board that includes FCC changes such as upgrading and changing software. He asked how that fits in. Gunyou replied that when staff moved into the new dispatch center, software upgrades were made. Future software upgrades are scheduled.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 11**

---

Ellingson asked if the project to install police in-car video systems could be moved up because he thought it was a good idea. Gunyou said it is scheduled with consideration of other priorities.

Ellingson said thermo-imaging cameras seems to be a life safety issue and asked if these could be purchased now. Wallin replied that the technology has improved and prices are coming down significantly. To be effective, there should be one on each engine and used as firefighters arrive on the scene. However, they are not being used by other communities until after the fire is over. He has concluded that the technology is not ready to be relied upon, and is concerned the fire department wouldn't get what they want if we buy the current technology.

Wagner said that only residents who have cable TV can watch council meetings. Gunyou replied that the city has looked at video streaming but last year's community survey indicated there wasn't much interest. This issue could be revisited in the future. Cable viewership has remained stable while Internet usage has increased.

Anderson called a recess at 8:40 p.m. and reconvened the meeting at 8:50 p.m.

Anderson asked where the bridge over the HCRRA corridor was located. Gustafson replied it is near Shady Oak Beach over the regional trail and is part of the entire Shady Oak Road project.

Anderson asked if this is the first year the water quality testing system has been in place. Gustafson replied this project has been in previous CIPs. Posma reviewed the timing of the testing system. Thomas asked if Crane Lake was still the cleanest lake. Gustafson said the cleanest lake is now Shady Oak Lake.

Anderson asked if the Plymouth Road storm sewer project was an effective short-term fix and if the project was necessary. Residents had strongly requested the interim measures at last year's CIP study session. Posma said the short-term fix has not gone through because the city has not been able to acquire an easement on the east side of the road. Once staked, the people on the south side had concerns regarding the impact if a garage was added in the future. Anderson asked what would happen with the big fix requested by the neighbors. Posma said residents could wait to be paid for their easements, which may be their strategy.

Anderson had a question regarding the Nine Mile Creek lake water quality project. The CIP said the city would acquire the right of way in 2005 and she wanted to know if the city would be acquiring it now. Gustafson said staff is going through the planning stages now by identifying the easements. He hasn't started the nine-month easement acquisition process yet.

**STAFF SUMMARY  
CITY OF MINNETONKA  
CITY COUNCIL STUDY SESSION  
MONDAY, MAY 3, 2004  
PAGE 12**

---

Callison asked if the storm drainage improvement for the All Saint's Lutheran Church's parking lot could get moved up from 2009. Posma said she had five petitions last year, and all were costly projects. Therefore, they were prioritized based on house flooding and other projects.

Anderson asked for more clarification on the water tower maintenance item. Wagstrom explained the underground tank was much more expensive than other tanks and provided an explanation of the maintenance process.

Anderson said the water and sewer service project schedule does not coordinate with road improvement projects as indicated. Wagstrom said this would be revised.

Anderson asked if the water treatment plant #16 construction would be at the civic center. Wagstrom said yes and that it would be online in two years. Anderson asked if there would be any conflict with the Summer Festival. Wagstrom said they would slowly bring the plant on line. All of the construction will be finished before the Summer Festival in 2005.

Regarding the Tanglen water tower renovation and painting, Gunyou said the tower would be returned to service by extending its height. Wagstrom provided a brief explanation of the process. The project bid would occur late this fall.

Ellingson asked about the public works facility loan repayment from the Community Investment Fund. He noted \$600,000 to \$700,000 a year is available in revenue to this fund. If these loan repayments are made then nothing will be available for anything else. Eggenberger said if the council wants to spend money on another project, the loan payments could be rescheduled.

Gunyou said the loan repayment is used as a balancer, meaning repayment is ultimately necessary but there is flexibility in the timing. Callison asked if 2009 was the payoff date, and Eggenberger said yes.

Wagner asked if the projected revenue assumed a static interest rate. Eggenberger said he projected a small increase in this fund.

Schneider distributed information on LMC committees and encouraged the council to participate.

**3. Adjournment**

The study session adjourned at 9:05 p.m.