

**City Council Agenda Item #14D**  
**Meeting of February 27, 2006**

**Brief Description:** Items related to the Glen Lake Redevelopment Project:

1. Purchase agreement for 5235 Woodhill Road
2. Agreement for joint exercise of eminent domain
3. Resolution authorizing eminent domain

**Recommended Action:** Approve the documents.

### **Background**

The redevelopment agreement between the EDA, the city, and Glen Lake Redevelopment LLC requires the EDA and city to use eminent domain if the developer cannot acquire all parcels for the redevelopment. The developer has requested this assistance, and staff has published a notice of a public hearing to be held before the EDA on March 6, 2006. The city council is also requested to authorize the use of eminent domain, but no public hearing is necessary. The following gives background information on the use of eminent domain for community redevelopment purposes, the status of the two parcels remaining to be acquired including a proposed solution to relocating the West Suburban Alano Society, and a proposed agreement with the EDA for the joint exercise of eminent domain.

### **Eminent Domain**

Eminent domain is the most powerful authority that the city has and should be used with great care. Historically, the EDA and the city have agreed to use eminent domain if necessary for redevelopment in tax increment financing districts. In most cases, the properties were acquired through negotiations, although the possibility of eminent domain certainly influenced those decisions. Only one redevelopment project in the last 20 years actually involved the acquisition of property by eminent domain: the Crescent Ridge and Ridgebury redevelopment in the northeast quadrant of I-394 and County Road 73. A few of the commercial properties along the frontage road were acquired in this manner, out of a total of 60 parcels needed for the development.

The West Ridge redevelopment in the northwest quadrant of the same intersection included 67 parcels of land, all of which were acquired through private negotiations. The Presbyterian Homes/Beacon Hill redevelopment in Glen Lake included 9 parcels, all of which were acquired through negotiations.

The process of eminent domain is started by filing a petition in the District Court. The Court is asked to find that the acquisition is reasonably necessary for a public purpose. Redevelopment of blighted property (as defined by state law) is considered a public purpose. Construction of a public trail is also considered a public purpose. If the judge

grants the petition, he/she appoints three people to determine the fair market value of the property. This 3-member commission usually consists of a real estate lawyer, a real estate appraiser, and a real estate broker. They hold hearings at which the EDA/city and the property owner present evidence about the value of the property. The commission issues its decision about the value. That decision is final, unless either the EDA/city or the property owner appeals to the District Court. Then a citizen jury will determine the value.

In the regular eminent domain process, the EDA/city gets title to the property after the final decision on value. There is another version of eminent domain, however, that is actually used most often in Minnesota. In the "quick take" process, the EDA/city gets possession of the land after the judge grants the petition and after the EDA/city has given 90-day notice to the landowner. There is some risk in the "quick take" process because a landowner could appeal the judge's finding that the acquisition is reasonably necessary for a public purpose. If an appeals court ultimately finds that the judge was wrong, the EDA/city could lose title to the property, and that could destroy the redevelopment. The "quick take" process is proposed to be used for the Glen Lake redevelopment.

In addition to being paid fair market value for the property, a landowner is also entitled to reimbursement for a property appraisal and for certain moving and relocation expenses.

### **Status of Property Acquisitions**

The developer, Tom Wartman, has advised that there are two parcels that he cannot acquire through private negotiations: the property owned by the West Suburban Alano Society and the property owned by Arnie Zachman.

1. *14407 Excelsior Boulevard*  
*West Suburban Alano Society*

City staff has taken responsibility for negotiations with Alano because of the city's historical connection to Alano and its property. The city acquired that property in the early 1990's in anticipation of redevelopment, but the city council decided against redevelopment. At the same time, the Alano group was looking for a new home when the Glen Lake Sanatorium was redeveloped into a golf course. The city sold the property to Alano but now wants it back. Accordingly, the city feels obligated to find them a new home and has allocated \$500,000 to assist with relocation, which will be in addition to the purchase price for their property.

City staff believes that a good solution has been found. The city has negotiated a purchase agreement to buy the single-family home at 5235 Woodhill Road for \$320,000, plus closing costs and moving expenses. See attached location map and

purchase agreement. It is the second home north of the Glen Lake Park. The first home next to the park is owned by the city and is scheduled to be torn down this summer for a parking lot. The plan is to re-divide the properties to give the front half of the two lots to Alano and retain the back half for the city, tear down the first house and keep the second house for Alano, construct a parking lot for them and a driveway for the city where the first house is torn down, and construct a city parking lot on the rear part of the property. The costs of the acquisition and Alano construction would be deducted from the \$500,000 and the remainder would be given to Alano. They would use that money and the purchase price for their land to remodel the house and add an addition. This solution keeps Alano in the Glen Lake area, relocates their "house" to a more residential setting, gives them far more parking than they currently have, and allows them to construct new facilities better designed to meet their needs.

The Alano Board is amenable to this solution, but the membership must make the final decision at a meeting to be held in mid-March. Because we do not have certainty about this option, the EDA and city are asked to begin eminent domain against the Alano property, with the hope that Alano will be dismissed from the action when an agreement is finalized. The Alano Board understands the timing of this necessary process.

2. *14301 Stewart Lane*  
*Arnie Zachman*

The property owned by Mr. Zachman is a different situation. He acquired the property along with three other parcels that he redeveloped into Lakeside Estates on Excelsior Boulevard. This remainder parcel is a long narrow piece of land that contains an unoccupied rental house. Mr. Zachman talked to staff in the past about developing the land in conjunction with the much larger adjoining property, but he was never able to reach an agreement with the adjoining landowner. That landowner instead decided to sell to Mr. Wartman. After that occurred, Mr. Zachman's attorney asked at a city council meeting that the city condemn the adjoining property and give it to him instead. That would have meant condemning land that was more than double the size of his own parcel. This request did not meet the council's historical requirement that a developer acquire most of the land to be in a redevelopment before the city will consider the use of eminent domain.

Negotiations with Mr. Zachman have stalled. The appraised value of his property is \$305,000, but he has been asking for more than double that amount. Accordingly, condemnation of his property appears necessary.

### **Joint Acquisition with EDA**

The EDA is the proper party to bring an eminent domain action for redevelopment, but the city also wishes to acquire Mr. Zachman's property for use as a public trail. State law provides that two governmental agencies may initiate eminent domain jointly if they

execute an agreement. Staff has drafted an agreement that is attached and will be presented to the EDA at the public hearing on March 6, 2006. The agreement contemplates that the city will initiate eminent domain after its meeting on February 27 and that the EDA will join in the petition after its meeting. This is being done to meet project deadlines and to avoid the uncertainty of potential state legislation that could compromise the use of eminent domain for community redevelopment purposes. A draft of the proposed agreement is attached.

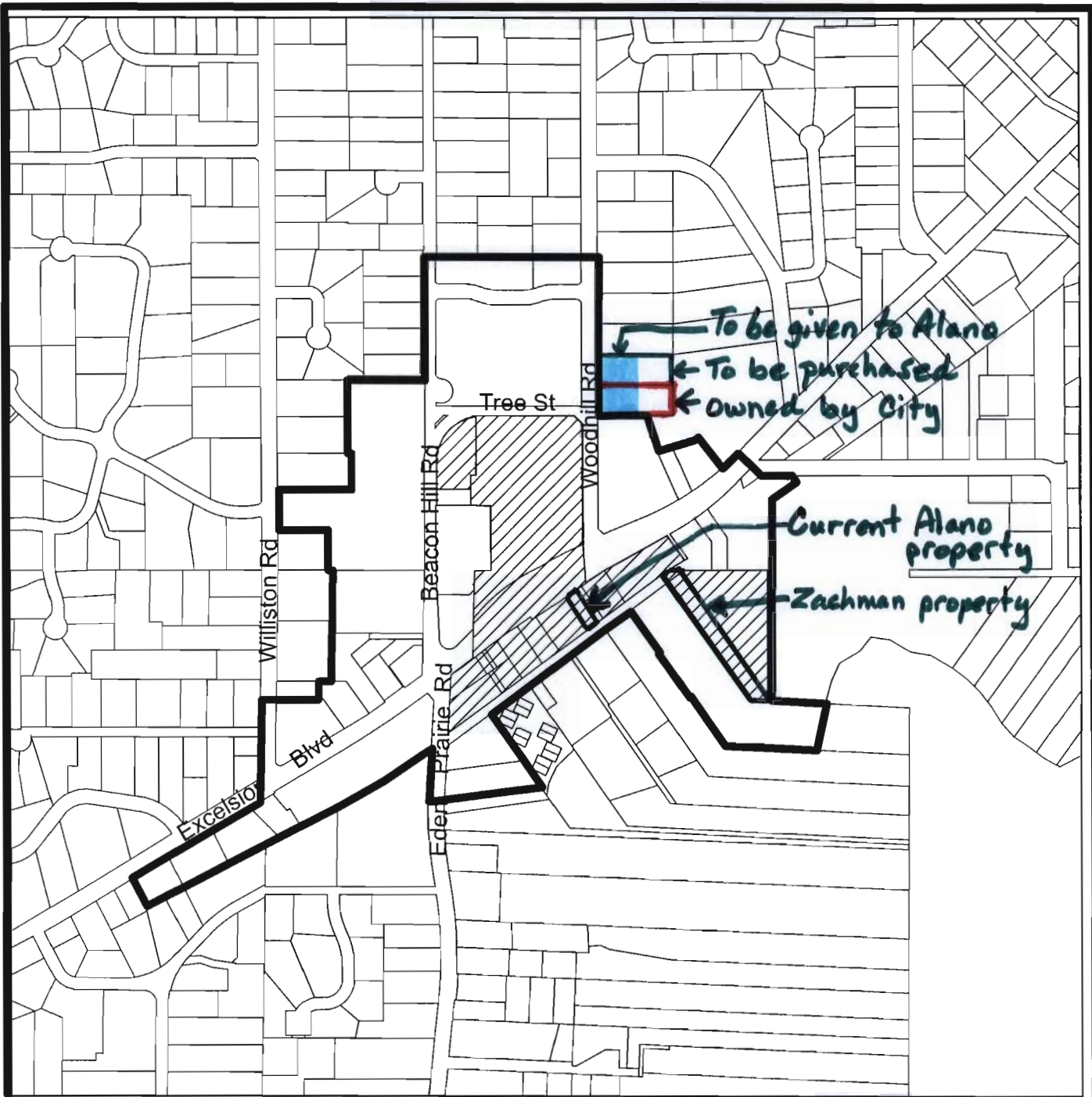
### **Recommendation**

Staff recommends approval of the following:



1. Purchase agreement for 5235 Woodhill Road
2. Agreement for joint exercise of eminent domain
3. Resolution authorizing eminent domain

Submitted through:  
John Gunyou, City Manager

Originated by:  
Desyl Peterson, City Attorney



# Glenhaven TIF District

-  Glen Lake Station Housing Development and Redevelopment Project Area
-  Proposed Glenhaven TIF District

# City of minnetonka

14600 Minnetonka Boulevard Minnetonka, MN 55345 (952) 939-8266 Fax (952) 939-8248

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## City Attorney's Office

*Providing prosecution services for the cities of  
Minnetonka, Minnetrista and St. Bonifacius*

February 9, 2006

Mike Nelson, Pres.  
West Suburban Alano Society  
7631 Superior Terrace  
Eden Prairie, MN 55344

**Desyl L. Peterson**  
**City Attorney**  
Direct Dial: 952-939-8262  
e-mail: [dpeterson@eminnetonka.com](mailto:dpeterson@eminnetonka.com)

RE: Acquisition of Property

Dear Mike:

First, let me express our sincere thanks to you and your members for your cooperation and patience throughout the city's consideration of the Glen Lake redevelopment project. I believe that we have developed a proposal for the Society's re-location that will meet and exceed your expectations.

We propose that the Alano Society agree to deed its property to the developer, in exchange for receiving \$430,000 from the developer and \$500,000 relocation assistance from the city. The developer will be making a separate offer to you to purchase the property for this amount. The more complicated details are in the relocation assistance from the city.

We propose to do the following:

1. Purchase the property at 5235 Woodhill Road for a purchase price of \$320,000, plus closing costs and moving expenses, pursuant to the attached purchase agreement.
2. Re-plat that property with the city-owned property at 5243 Woodhill Road and change the property line from an east-west alignment to a north-south alignment with approximately 160 feet west of the line and 155 east of the line.
3. Demolish the building on the 5243 property and convey the property west of the line to Alano for \$1, keeping an access and driveway easement over the southerly 25 feet.
4. Prepare site plans for the two parcels incorporating Alano's proposed building addition to the house on the 5235 property, a parking lot meeting Alano's approval on the southerly portion of the new Alano lot, a parking lot meeting the city's approval on the northerly portion of the new city lot east of the dividing lot, and a joint curb cut for the two parking lots.

5. Apply jointly with Alano for plat approval and a conditional use permit for Alano and waive the application fees.
6. Complete the grading and construction necessary to install the two parking lots.
7. Subtract the city's costs for items 1, 2, 4, and 5 and the cost of constructing Alano's parking lot in item 6 from \$500,000 and pay the remainder to Alano.
8. Allow Alano to remain in its current location until the parking lot on the new Alano lot is completed.

In addition, Alano, the developer, and the city will agree to cooperate regarding parking. The city will allow Alano to use the city's new parking lot on a first-come, first-served basis along with other members of the public, with the expectation that Alano will need no more than about fifteen parking spots during the busy spring and summer months. The developer will allow overflow parking for Alano and the city park on its property across Woodhill Road. Alano will determine, in its sole discretion, whether it will allow any public use of its parking lot.

The agreement will be final only if the city council approves the plat and conditional use permit.

If this proposal is acceptable in concept, I will prepare a formal agreement to be signed by Alano, the developer, and the city.

Thank you again for your cooperation. We are very glad that you will be able to stay in our Glen Lake area.

Sincerely,



Desyl L. Peterson  
City Attorney

cc: John Gunyou, City Manager  
Ron Rankin, Community Development Director  
Tom Wartman, Glen Lake Redevelopment LLC  
Chris Van Hauer, West Suburban Alano Society

## PURCHASE AGREEMENT

This Purchase Agreement made this \_\_\_\_\_ day of February, 2006, by and between Marcella K. Trombley, widowed and unremarried, ( "Seller"), and CITY OF MINNETONKA, a Minnesota Municipal Corporation ("Buyer").

1. **Earnest Money.** In consideration of the mutual agreements herein contained and the sum of Two thousand dollars (\$2,000.00) ("Earnest Money") paid by the Buyer to the Seller, the receipt of which is acknowledged, the Seller grants unto the Buyer the exclusive right to purchase fee simple title to a tract or parcel of land ("Subject Property") situated in the County of Hennepin, State of Minnesota, legally described as Lot 11, Block 2, Glen-View Park, Hennepin County, Minnesota.

2. **Purchase Price.** The purchase price for the subject property, which is Three hundred twenty thousand dollars (\$320,000), shall be payable by check on the Closing Date. The Earnest Money shall be applied as a partial pre-payment of the purchase price.

3. **Title Issues:**

a. **Marketability of Title.** The Buyer shall, within ten days of the date of this Purchase Agreement, obtain a registered property abstract or an abstract of title certified to date. The Buyer shall have twenty days for the examination thereof, and to deliver written objections to title, if any, to the Seller. Seller shall permit no additional encumbrances to be made upon the Subject Property between the date of this Purchase Agreement and the Closing Date.

In the event that title to the Subject Property is found by the Buyer to be unmarketable, and cannot be made marketable by the Seller within 120 days after notice of a defect, then, at the option of the Buyer, this Agreement shall be null and void and the Earnest Money shall be refunded to the Buyer. Alternatively, the Buyer may clear title to the extent required and charge the cost of clearing to the Seller.

b. **Deed Delivered at Closing.** Seller agrees to give good and marketable title to Subject Property in fee-simple, together with all improvements, hereditaments and appurtenances thereunto belonging and all of the right, title and interest of the Seller in and to any streets or alleys adjoining or abutting thereon, and to convey the same by warranty deed joined in by all individuals known collectively as Seller herein, and in form acceptable to counsel for Buyer. Buyer will be responsible for paying the cost of recording the deed. Buyer will pay the state deed tax.

c. **Exceptions to Marketable Title.** Seller shall convey marketable title to the Subject Property to the Buyer subject only to the following exceptions:

- 1) Building and Zoning laws, ordinances, State and federal regulations.
- 2) Reservation of minerals or mineral rights to the State of Minnesota.
- 3) Utility and drainage easements.

4. **Closing Date.** The closing of the sale of Subject Property shall take place on or before June 1, 2006, or at such earlier or later date as may be mutually agreed upon by the Seller and Buyer.

5. **Seller's Representations and Adjustments.** The Seller agrees to free the Subject Property from all liens, leases, encumbrances and charges of any kind to the date of closing. Buyer will not take possession of the property subject to any leases. Buyer will assume all property taxes due and payable in 2006. All pending and levied special assessments shall be the responsibility of the Buyer. Buyer shall be responsible for the appropriate abandonment of any wells on the site.

6. **No Broker Involved.** The Seller and Buyer represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokers commissions or finder's fees in connection with negotiations for purchase of the Subject Property arising out of any alleged agreement, commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for the sale of the Subject Property arising out of any alleged agreement, commitment or negotiation by Seller.

7. **Possession and Insurance.** Seller shall continue in possession of the Subject Property until June 15, 2006, and shall maintain it in its present condition. Risk of loss from casualty or any liability incurred by or as a result of the use or contact with the Subject Property shall be the Seller's until delivery of possession to the Buyer as herein provided.

8. **Entire Agreement; Amendments.** This Purchase Agreement constitutes the entire agreement between the parties and no other agreement prior to this Purchase Agreement or contemporaneous herewith shall be effective except as expressly set forth or incorporated herein. Any purported amendment shall not be effective unless it shall be set forth in writing and executed by both parties or their respective successors or assigns.

9. **Binding Effect; Assignment.** This Purchase Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors and assigns. Neither Seller nor Buyer shall not assign its rights and interest hereunder without notice to, and approval by the other.

10. **Notice.** Any notice, demand, request or other communication which may or shall be given to Seller by Buyer or to Buyer by Seller shall be deemed to have been given or served on the date the same is deposited in the United States mail, registered or certified, postage prepaid and addressed as follows:

- a. If to Seller: Marcella Trombley  
5235 Woodhill Road  
Minnetonka, MN 55345
- b. If to Buyer: City Attorney  
City of Minnetonka  
14600 Minnetonka Boulevard  
Minnetonka, MN 55345

11. **Specific Performance.** This Purchase Agreement may be specifically enforced by the Buyer and/or the Seller.

12. **Special Provisions.**

- a. City will pay Seller's moving costs. This amount will be determined by the lowest of two estimates from professional moving companies. This reimbursement amount will be paid at closing.
- b. Seller will remove the corner china cabinet from the dining room.
- c. Seller may remove the appliances, including refrigerators, stoves, and the washer and dryer. The city will remove these items, and any others that remain when Seller vacates the property.

13. **Effective Date of Purchase Agreement.** This Purchase Agreement is contingent upon the approval of the purchase agreement and funding source by the Minnetonka City Council. It shall not be effective until it has received that approval. The Seller may terminate this Purchase Agreement is the City Council does not act on it within 60 days after the day of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, the day and year first printed above.



**CERTIFICATION OF COUNCIL APPROVAL**

Approved by the City Council of the City of Minnetonka on the 27th day of February, 2006.

\_\_\_\_\_  
Janis A. Callison

ATTEST:

\_\_\_\_\_  
Kathleen A. Magrew, City Clerk

## **Agreement for Joint Exercise of Eminent Domain**

This agreement is made \_\_\_\_\_ between the CITY OF MINNETONKA, MINNESOTA (“City”), a Minnesota municipal corporation, and the ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MINNETONKA, MINNESOTA (“EDA”), a public body corporate and politic under the laws of Minnesota.

The City and the EDA have each approved and executed the Contract for Private Redevelopment with Glen Lake Redevelopment LLC (the Developer”) dated \_\_\_\_\_ (the “Contract”). Both the City and the EDA agreed in the Contract to exercise the power of eminent domain as a last resort if the Developer is unable to acquire all needed parcels. The City and the EDA have determined that each of them has different needs for the land to be acquired. Accordingly, they are executing this Agreement to authorize the joint acquisition of land pursuant to Minn. Stat. § 117.016. The parties agree as follows:

1. The City will initiate the eminent domain action to acquire fee title to the property legally described as follows for trail purposes (the “Trail Property”):

The southwesterly 65 feet of Lot 1, "Glen Lake Park."

2. When the EDA authorizes the use of eminent domain, it will join in the City’s eminent domain action. The EDA will acquire fee title for redevelopment purposes to (a) the portion of the remainder of the Trail Property that is not directly needed for the public trail and (b) the property legally described as follows (the “Alano Property”):

Tracts B, E, G, and I, Registered Land Survey No. 630, Hennepin County, Minnesota,

Subject to an easement in favor of Hennepin County for road and highway purposes over and across land formerly described as lying in that part of the Northeast Quarter of the Northeast Quarter of Section 33 and that part of the Northwest Quarter of the Northwest Quarter of Section 34, Township 117, Range 22, lying Northwesterly of Lot 10, GLEN LAKE PARK, Hennepin County and Southeasterly of County Road No. 3, as now laid out and used; (as to Tract B)

3. The City and the EDA agree to cooperate in determining the exact dividing line of the Trail Property. Unless agreed otherwise, the City will obtain fee title to the westerly 40 feet of the Trail Property, and the EDA will obtain fee title to the remainder. The City will give the EDA easements where necessary for improvements constructed as part of the anticipated redevelopment on the adjacent property to the east.
4. No pre-determined division of costs is necessary because the Developer is obligated to reimburse both the EDA and the City for their acquisition costs. The City will be responsible for ensuring that this reimbursement is obtained.

Each party has caused this Agreement to be duly executed on its behalf to be effective as of the date first written above.

THE ECONOMIC DEVELOPMENT  
AUTHORITY IN AND FOR THE CITY  
OF MINNETONKA, MINNESOTA

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2006, by Peter St. Peter and John Gunyou, the President and Executive Director of the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body politic and corporate, on behalf of the Authority.

\_\_\_\_\_  
Notary Public



## RESOLUTION NO. 2006-

### RESOLUTION AUTHORIZING EMINENT DOMAIN PROCEEDINGS TO ACQUIRE CERTAIN PROPERTY FOR TRAIL AND REDEVELOPMENT PURPOSES AND ESTABLISHING JUST COMPENSATION

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BE IT RESOLVED by the City Council of the City of Minnetonka, Minnesota as follows:

#### Section 1. Background.

1.01. The Minnetonka Housing and Redevelopment Authority (the "HRA") was previously established, and adopted a Redevelopment Plan (the "Plan") for, the Glen Lake Station Housing Development and Redevelopment Project (the "Project"). The Economic Development Authority of the City of Minnetonka ("EDA") was subsequently established, and the control, authority, and operation of all projects and programs undertaken by the HRA were transferred to the EDA.

1.02. The city and the EDA are each authorized by Minnesota law to acquire real estate that it deems necessary for its public purposes.

1.03. On January 17, 2006, the EDA approved modification of Housing Development and Redevelopment Plan for the Project and creation of the Glenhaven Tax Increment District (the "District") within the Project area. The EDA also approved execution of a Contract for Private Redevelopment (the "Contract") within the District. These actions were also approved by the city council on January 23, 2006. The Contract provided that the EDA would undertake eminent domain to acquire real property needed for the redevelopment if the private redeveloper was unable to acquire all necessary parcels and that the city could undertake eminent domain for acquisition of a public trail.

1.04. The private redeveloper has submitted a request that the EDA or the city, as the case may be, acquire two parcels described on the attached Exhibit A (the "Properties") and has provided evidence of its compliance with the conditions precedent established in the Contract.

#### Section 2. Findings of Need for Redevelopment and Housing.

2.01. The EDA and the city have previously determined that redevelopment of certain parcels within the District, including the Properties, is necessary to further their redevelopment and affordable housing goals.

2.02. The city council reaffirms its findings that there is a need for development and redevelopment within the Project based on conditions of blight and a shortage of decent, safe, and sanitary housing for persons of moderate income, among other

factors. The initial findings of blight and blighting conditions within the Project that support the findings of blight are summarized in Section III of the original Redevelopment Plan for the Glen Lake Station Redevelopment Project dated November 3, 1977. The findings have been updated, validated, and confirmed in a blight study performed by Hoisington Koegler Group Inc., dated January 17, 2006, and entitled Glen Lake Station Housing Development and Redevelopment Project Blight Study (the "Blight Study"), which is hereby incorporated by reference into this resolution. The Blight Study found that blight conditions continue to exist throughout the District portion of the Project, confirming the continued need for redevelopment that was first identified in 1977. Further, a study conducted by LHB, Inc., entitled Report of Inspections and Results for Determining Qualifications of a Tax Increment Financing District as a Renewal and Renovation District (Glenhaven TIF District, Minnetonka, Minnesota), confirms that 10 of the 15 buildings in the District are structurally substandard within the meaning of Minnesota Statutes, Section 469.174, Subd. 10a(b), and 12 of the 15 buildings meet the "obsolescence" test under Section 469.174, Subd. 10a (1)(iii). Both types of findings are also elements of "blight" within the meaning of the HRA Act, and therefore, the LHB Report further confirms the need for redevelopment of this portion of the Project.

2.03. The city council further finds that a housing development project is necessary to alleviate a shortage of decent, safe, and sanitary housing for persons of moderate income and their families, as described below, based upon the following conditions:

- (a) The city council previously determined there was a shortage within the Project of housing for seniors and created Housing District No. 2 to remedy that shortage; the city council has now determined there is a shortage of affordable owner-occupied housing in the Project for persons of moderate income and has determined to remedy this shortage by creating the District.
- (b) Ameliorating the shortage of affordable housing in the Project for persons of moderate income cannot be achieved through development by private enterprise without government assistance.

2.04. For the housing development within the District, the EDA and the city council have determined that the level of income constituting moderate family income for buyers of for-sale housing will be household incomes that do not exceed 115% of the Minneapolis-St. Paul metropolitan statistical area median income for calendar years 2006 through 2008 (the calendar year is dependent on the year in which each phase of the development is completed). Further, the EDA and the city council have limited the purchase price of housing units to no more than the maximum "livable communities" sale price for owner-occupied dwellings established by the Metropolitan Council for calendar year 2006 through 2008 (the calendar year is dependent on the year in which each phase of the development is completed). In accordance with Section 469.002, Subd. 18 of the HRA Act, the EDA and the city council have determined that buyers of

housing units who have these maximum incomes are persons or families whose income is not adequate to cause private enterprise to provide without governmental assistance a substantial supply of decent, safe and sanitary housing at prices within their financial means.

2.05. The city council finds that acquisition of the Properties is necessary to eliminate blight, to provide decent, safe, and sanitary housing for persons of low and moderate income, and to carry out the redevelopment plan for the Project.

### Section 3. Findings of Need for Public Trail.

3.01. The city council previously adopted the Minnetonka Parks, Open Space, and Trail System Plan (the "POST Plan") to provide guidance in the planning and development of these recreational and open space amenities. Two of the goals for the trail system component of the POST Plan are to:

- Provide reasonable trail access to the natural resource amenities within the community without unduly compromising their integrity and natural qualities, and
- Provide trail linkages from the looped system to neighborhoods and where feasible, individual parks.

3.02. The POST Plan found that trail users are seeking a recreational experience while using the trails. It further found that the highest quality trails are those that are off-street, located within a park, greenway/natural area, or designated trail corridor. They are a desirable type of trail because they:

- Emphasize harmony with the natural environment,
- Allow for relatively uninterrupted pedestrian movement to and through the city and park system,
- Emphasize enhancing the recreational experience of the user, and
- Safely protect users from vehicular traffic.

3.03. The city council finds that acquisition of Parcel No. 2 of the Properties is reasonably necessary for the construction of a public, recreational trail that is consistent with, and fulfills the objectives of, the POST Plan. The trail to be constructed would provide an off-street trail to connect the Glen Lake commercial area with nearby neighborhoods and parks, and to provide a public view of Glen Lake, a significant natural resource amenity in the city.

#### Section 4. Findings of Public Purpose.

4.01. Acquisition of the Properties will help fulfill a need to redevelop an area of the City of Minnetonka that is underutilized and blighted, to preserve and enhance the tax base of the city because it will facilitate redevelopment of an area with obsolete land use and occupied by substandard buildings, to promote the development of affordable housing, and to create new housing and commercial uses. The city council expressly finds that any private benefit to be received by developers is incidental, as the assistance to the developer is only provided to produce the public benefits described above. Therefore, the city council finds that the public benefits of the property acquisition exceed any private benefits.

4.02. Additionally, acquisition of Parcel No. 2 of the Properties is reasonably necessary for the construction of a public, recreational trail consistent with the POST Plan. This is a direct public use of the land.

#### Section 5. Findings of Property Value.

5.01. The city and the EDA have a reasonable need to acquire the Properties before the condemnation award pursuant to Minn. Stat. §117.042 in order to meet project deadlines.

5.02. It is necessary for the city and the EDA to pay to the owner or to deposit with the court the amount of their approved appraisals of value before taking title and possession to the Properties under Minn. Stat. §117.042.

5.03. The city and the EDA have caused appraisals of the Properties to be made and believes them to have been performed in a competent manner and in accordance with applicable laws.

5.04 The approved appraisals of value and the just compensation for the Properties are as follows:

<u>Parcel No.</u>	<u>Appraised Amount</u>
1	\$430,000
2	<u>\$305,000</u>
Total	\$735,000

#### Section 6. Council Action.

6.01. The city council approves the use of eminent domain by the EDA to acquire the Properties for community redevelopment and housing purposes pursuant to Minn. Stat. §117.042. The city manager and the city's attorney are authorized to take all necessary steps to assist in this action.

6.02. The city council authorizes the city manager and the city's attorney to take all necessary steps to acquire Parcel No. 2 of the Properties for public trail purposes, by filing an eminent domain action to acquire title to and possession of that parcel pursuant to Minn. Stat. §117.042.

6.03. The city's attorney is authorized to deposit the amount specified in paragraph 4.03 in Hennepin County District Court in order to take title to parcel no. 2 of the Properties pursuant to Minn. Stat. §117.042.

Adopted by the city council of the City of Minnetonka, Minnesota, on \_\_\_\_\_, 2006.

\_\_\_\_\_  
Janis Callison, Mayor

ATTEST:

\_\_\_\_\_  
Kathleen A. Magrew, City Clerk

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the city council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on \_\_\_\_\_, 2006.

\_\_\_\_\_  
Kathleen A. Magrew, City Clerk

Exhibit A

Legal Descriptions of the Properties

Parcel No. 1:

Tracts B, E, G, and I, Registered Land Survey No. 630, Hennepin County, Minnesota,

Subject to an easement in favor of Hennepin County for road and highway purposes over and across land formerly described as lying in that part of the Northeast Quarter of the Northeast Quarter of Section 33 and that part of the Northwest Quarter of the Northwest Quarter of Section 34, Township 117, Range 22, lying Northwesterly of Lot 10, GLEN LAKE PARK, Hennepin County and Southeasterly of County Road No. 3, as now laid out and used; (as to Tract B).

14407 Excelsior Boulevard  
PID No. 33-117-22-11-0026

Parcel No. 2:

The southwesterly 65 feet of Lot 1, "Glen Lake Park."

14301 Stewart Lane  
PID No. 34-117-22-22-0003

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**Subject:** FW: Glen Lake Project

-----Original Message-----

From: A. Amato - amato@visi.com [mailto:amato@visi.com]

Sent: Wednesday, February 01, 2006 10:37 AM

To: Janis Callison; Bob Ellingson

Subject: Glen Lake Project

As a ward 1 resident of Minnetonka, I am strongly against the seizure of private property for the purpose of handing this property over to a private developer. This issue for me is significant, and your support for this land seizure will result in the loss of my vote in all future elections.

Sincerely,  
Adam Amato

---

**Subject:** FW: Emminent domain?

**From:** daniel.peick@kodak.com [mailto:daniel.peick@kodak.com]

**Sent:** Friday, February 03, 2006 2:23 PM

**To:** Minnetonka Mike

**Subject:** Emminent domain?

Try this (stealing private property) at my house, you will be met with lethal resistance. As it stands, your attempts to steal private property for your development purposes will cause me to **immediately** cease any business with anyone in Minnetonka. May you feel the rath of their collective businesses disdain for such pirate behavior. Hopefully the city's constituents will band together and vote the ENTIRE lot of you out of the offices you use to steal private property. I will be investigating all individuals connected with this action, to cause them further impedance in their attempts to get away with these racketeering operations. Your efforts are in violation of all decency, and I will help spread the word on just how dishonest you are. Kind of like those traffic gauntlets you guys set up on Hwy. 7 to shake down innocent drivers traversing through your city.

That trick works only once!

disgruntled

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**Subject:** FW: Glen Lake Development

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**From:** RKlemenhag@aol.com [mailto:RKlemenhag@aol.com]

**Sent:** Friday, February 03, 2006 4:13 PM

**To:** Janis Callison

**Subject:** Glen Lake Development

Dear Mayor:

I am strongly opposed to the Glen Lake Development and especially the use of eminent domain. This is usage was clearly not intended and I can only hope that common sense will prevail. Legislation will be enacted by Minnesota this year which will certainly prohibit the usage of eminent domain to transfer property from one private owner to another. Since legislation is already written to this extent, it would be unwise to attempt to use eminent domain in this manner as, I presume, the City of Minnetonka, could be held responsible and liable for such actions.

Surely there is a better solution here! In my opinion, the development plan, as presented, is totally out of character with the historical context of the Glen Lake area. Why do we want to destroy such a historical area of our City?

Bob Klemenhagen  
16501 Elm Drive  
Minnetonka, MN 55345  
952-935-3177  
rklemenhag@aol.com

---

**Subject:** FW: Your plans to condemn proptery

-----Original Message-----

From: gregg nelson [mailto:[nelson\\_g98@yahoo.com](mailto:nelson_g98@yahoo.com)]

Sent: Tuesday, February 07, 2006 9:59 PM

To: John Gunyou

Subject: RE: Your plans to condemn proptery

Mr. Zachman bought his property on the open market, did he not? Why don't you do the same instead of using the force of government to seize it?

Why do government officials always think they know the value of property or any other item better than the workings of the free market?

His appraised value is just some government beaucrocat's idea of what the property is worth. It is obvisouly worth more or you wouldn't have to seize it.

You could just purchase it on the open market.

I think you'd better hurry and complete this condemnation. The state legislature and Congress are both considering laws that would put you and other development planners out of business, and about time.

Gregg Nelson  
Bloomington, MN

---

**Subject:** FW: Eminent Domain

**From:** lauriegeb@aol.com [mailto:lauriegeb@aol.com]

**Sent:** Wednesday, February 08, 2006 9:43 AM

**To:** Janis Callison

**Subject:** Eminent Domain

Ms. Callison,

I strongly urge you to reject the use of eminent domain in the Glen Lake Redevelopment project. It is wrong for governments to seize private property for the purpose of redevelopment.

Let Minnetonka go on record as a city that protects the property rights of its citizens.

Thank you for your consideration.

Laurie Peltó  
14207 Glen Lake Drive  
Minnetonka, MN 55345

---

**Subject:** FW: Eminent domain

**From:** Albert Kohaul [mailto:pcmag77@hotmail.com]

**Sent:** Fri 2/10/2006 03:43 PM

**To:** Al Thomas

**Subject:** Eminent domain

Dear Councilman Thomas,

Please do not use the power of eminent domain to aid a project which will benefit a private individual. I do not believe this is a proper use of this tools.

Thank you,

Lee Kaphingst  
Ward 4

---

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<http://toolbar.msn.click-url.com/go/onm00200415ave/direct/01/>

Lynn Koenig  
1200 Tonkawa Road  
Long Lake, MN 55356

February 15, 2006

Mr. John Gunyou  
Minnetonka City Manager  
14600 Minnetonka Blvd  
Minnetonka, MN 55345

Re: Eminent Domain

Dear Mr. Gunyou,

I appreciated your concise and factual commentary in today's Star and Tribune and thank you for it.

I am only vaguely aware of the location mentioned and don't know any of the interested parties. Because I am very interested in eminent domain, I did a little research on the property you mention in your comments.

Eminent Domain, governed by the constitution and 14<sup>th</sup> amendment, requires "fair compensation". Fair compensation has more meaning than just market value. Fair compensation considers fair value after considering the property's highest and best use and damages to the property after or because of the taking. If the current owner can show reasonable evidence of what the property would be worth, at its highest and best use, perhaps utilizing a site planner, he could be awarded present value of that anticipated future value, in addition to damages.

You write that one property owner is demanding twice the appraised value of his parcel. It struck me as odd that twice the appraised value is considered unreasonably high. Perhaps, the appraised value is very close to fair value considering the property's highest and best use, but probably it is not. The overwhelming majority of appraisers are not qualified to assess a property's highest and best use, or to envision what damages accrue to the property holder. Also, keep in mind that the City paid the appraiser. Appraisers know from either their experience or their colleague's experiences, that if they appraise a

property too high they won't get any future opportunities from a municipality or governing body.

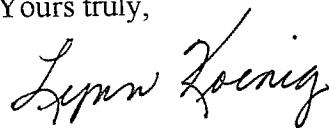
Doing further research, I discovered that the property you mention is .91 acres of a 7.6 acre redevelopment, or almost 12% of the total. My information tells me that the city appraised this property at \$305,000. Almost an acre in the heart of Minnetonka worth \$305,000?!?! I've got to think most developers would salivate at the chance to purchase it for that. If I compare what Hennepin County states as market value for properties in the same area and what they have actually sold for recently, I would conservatively expect to pay approximately \$540,000 for this property. In addition to this, because this is a taking, I would have to consider whether \$540,000 takes into consideration the highest and best use of the property and then add damages, if any to the owner.

And finally, should the current property owner decide to argue his case to the justice system, the City will have the costs of preparing for and defending its position to the court. Ultimately, the property owner may prevail and in addition to fair value and damages, the court may award him his costs to defend his value.

I don't know who has been negotiating with the landowner. If it is the Glen Lake developer and he has the assurance of the City of Minnetonka that they appraised it at \$305,000 and that they will take it for that, then most assuredly, the developer isn't offering its fair value. If the property owner isn't demanding more than \$700,000 for the property, I suspect there is a strong possibility to negotiate a mutually agreeable price, without litigation cost to the taxpayers. Or perhaps the City can offer the landowner an exchange of property of equitable worth, and everyone wins. Maybe naming the trail has value to the landowner. If I lived in Minnetonka, I would urge the City to be creative.

It is unreasonable for the City of Minnetonka to think that any project is entitled to what it needs, whether it is trails or traffic lights, to the detriment of a few landowners. If taxpayers want it, taxpayers should pay fair value for it.

Yours truly,



Lynn Koenig  
Daytime Phone 952-476-3744  
Home Phone 952-471-7897

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**Subject:** FW: Glen Lake Property Seizure

**From:** JOHN D SENS [mailto:jsens3@msn.com]

**Sent:** Wednesday, February 15, 2006 9:20 AM

**To:** John Gunyou

**Subject:** Glen Lake Property Seizure

Dear Mr. Gunyou,

I read your editorial in the Star Trib today. Sorry, I will never agree that governmental entities should use eminent domain to seize private property from one person to give it to another.

Just about everybody I know who invests in property does so with the hope that it will appreciate in value. This is true of real estate, just like stocks, bonds, collectibles. Real estate, like everything else is worth what someone will pay for it. The small parcel that Arnie Zachman owns which is the subject of your article is worth more here than it would be in rural Kittson County, because people will pay more for it. And what's wrong with that? That is the American way. If the developer wants Zachman's property, he should pay whatever Zachman wants.

I have a house. If you want to buy it you will have to pay what I ask. Unless, of course, you could convince Eden Prairie to condemn it and make me sell for an appraised price. (And, as hungry as they are for taxes, that might work!) The same would be true in Minnetonka if I wanted to buy your house or anybody else's. You shouldn't be forced by the government to sell to me.

The bottom line here is that Minnetonka is using its power to aid a private developer who stands to make a literal killing using the property once it has been seized. Of course the new developer wants to get by as inexpensively as possible. The reason Minnetonka is doing this is the promise of more taxes. This is the same thing that happened in Richfield where numerous houses and respectable, profitable businesses were seized and the owners evicted because Best Buy promised the city more taxes.

Sure, Zachman wants more money. Sure, the developer wants the property as cheap as possible. The government should stand aside and let buyer and seller work it out in an arm's length transaction. Of course, that won't happen if the developer knows he can get the city to cram a price down the owner's throat.

Your accusing Zachman of opportunistic extortion is somewhat amusing. I encourage you to view some of the rowhouses built recently near Zachman's property. They feature dubious quality construction with sloppy architecture and are selling in the \$500,000 range. Talk about opportunism! The builder has to be making at least 100% profit on each one, if not more. (Last spring I attended a high school graduation at the U of M. There 12 oz bottles of water were selling for \$2.50. More opportunistic extortion!)

Regardless of motives, in principle I am opposed to the use of eminent domain to seize private property except for public use where there is no alternative (roads, bridges, parks, schools, etc.) but not for transferring ownership from one private person to another.

So far, Americans have acquiesced in governmental seizures like Best Buy. Maybe it will continue unabated. But, I think when enough people experience governmental seizures of their property merely to benefit some other private person, enough pressure will be brought to bear for the

legislature to give property owners some relief.

Sincerely,

John D. Sens  
17367 Rosalla Drive  
Eden Prairie, MN 553465  
952.949.0437

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**Subject:** FW: Eminent Domain

-----Original Message-----

From: Bruce Boeder [mailto:BBoeder@BoederLaw.com]

Sent: Thursday, February 16, 2006 2:04 PM

To: John Gunyou

Subject: Eminent Domain

John, I want to compliment you on your well written commentary on eminent domain in the Star Tribune.

Unfortunately this is a very "hot button" issue, which it would appear certain groups have taken hold of, to further their own particular political agenda. I'm of the opinion that the laws on this subject are currently working well and should not be changed.

Hopefully if reasonable people can give their reasonable opinions about the issue the storm can be weathered.

Regards,  
Bruce Boeder  
Attorney at Law  
Minnetonka City resident for 20+ years.

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**Subject:** FW: Your next challenge...

**From:** Rich Urban [mailto:rurban2@mn.rr.com]

**Sent:** Thursday, February 23, 2006 8:16 AM

**To:** Al Thomas; Bob Ellingson; Brad Wiersum; Dick Allendorf; Janis Callison; Terry Schneider; Tony Wagner

**Subject:** Your next challenge...

Dear Mayor Callison and Council Members,

I know that you have carefully considered the pros and cons of the development around Glen Lake and concluded that you had no option but to vote for the package that was presented to you. There were some tough issues to balance and I do not fault you for your decision. Had I personally been in your position, I would have concluded otherwise - but not without difficulty.

The next issue to come before you, though, is quite different - the question of exercising eminent domain on the Zachman property. On the surface, it appears to offer plenty of cover - pitting one developer/speculator against the other; a case to be made for the greater good of the neighborhood; well within the city's rights; etc....

But I caution you to look carefully at mood of the electorate. This issue has mobilized people nationwide and at all levels. I have been contacted by neighborhood coalitions around the Twin Cities who have referred me to both state and national resources. The merits or demerits of the specific project are lost in the hue and cry over "abuse of power", "favoritism of rich developers", "opportunistic timing" - and worse.

This is not a question that will remain isolated to the Glen Lake neighborhood - the reputation and goodwill of the City of Minnetonka are probably also at stake!

Here's my perspective.

- If the city (you) decides to pre-empt the pending state legislative action by exercising eminent domain on Zachman's property, it will be cited as a "case in point" by both Democrats and Republicans in the state house as they fall all over each other to sponsor the "best" bill. This is a spotlight that will NOT fade quickly, does not shed a complimentary light and will not be forgotten by the electorate.
- On the other hand, if the city council decides to take a more conservative approach and foregoes, for the time being, the use of eminent domain, it will be noticed. Then it will fade. And...
- Mr. Wartman and Mr. Zachman will ultimately come to terms. Mr. Wartman will probably end up paying more than he wants to. His profit will be less, but far, far above \$0.00. Mr. Zachman will get less for the townhouses he built because Mr. Wartman's condos will detract from their appeal, but he'll swallow hard when the price is right and then move on. (Frankly, the marketplace is the better place for developers and speculators to work out their differences.)
- And the project will go forward - perhaps delayed slightly, but I believe it will go forward.

I could be wrong about this. But I'm pretty sure I'm not. This issue is very hot with people. You and the city can both get burned.

I think you would be well-advised to say that this time (and timing is everything, after all) that the ends don't quite justify the means. It may be the right time to step back and let the marketplace work - to let both speculators work out the issue of 'fair market value' rather than embroil the city in the debate.

--Rich Urban--



Suite 216  
10501 Cedar Lake Road  
Minnetonka, MN 55305

Mr Cunniff,

Originally, I had contacted Mr  
Wartman, as before I'd known about  
the involvement of eminent domain,  
I'd considered purchasing a new condo  
in his Glen Lake development. I've  
read both sides of the story for months  
now + I am appalled at the action  
Mtko plans to take to make possible  
a portion of this construction. The  
enclosed article clearly states my views.  
C. Clark - Mtko resident since 1960

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**Subject:** FW: ABUSE OF EMINENT DOMAIN

**From:** Linda Barros [mailto:lbarros101652@yahoo.com]  
**Sent:** Thursday, February 23, 2006 12:01 PM  
**To:** Janis Callison  
**Subject:** ABUSE OF EMINENT DOMAIN

Dear Mayor,

I respectfully urge you to vote against the use of eminent domain on Mr. Zachman's land.

We want our Mayor to be publicly viewed as one having a sense of integrity and morals. The end does not always justify the means and this is a classic case of that.

Thank you.

Linda Barros

Yahoo! Mail

[Use Photomail](#) to share photos without annoying attachments.

Dear Mayor Callison and City Council Members:

We are writing because we strongly oppose the use of eminent domain. Even the threat of eminent domain for economic development, we feel is an abuse of governmental power. Since you will be voting to begin condemnation proceedings at the February 27 meeting, we need you to know that we expect you will vote NO.

We would like you to read either the proposed Federal (HR4128: Private Property Rights Protection Act of 2005) and/or the proposed Minnesota State (H.F. 2846 Minnesotans for Eminent Domain Reform Bill) laws. Both are easily found using a Google search. As we read these proposed legislations, we do not believe that the City of Minnetonka's use for the Glen Lake Redevelopment project would qualify under either set of new laws. In fact, the Minnesota law will apply to condemnations commenced on or after March 1, 2006. Are you really so justified in your use of eminent domain that you will begin proceedings 4 days before state law would prevent you from doing so?

We have several alternatives that we would like you to consider before you spend my tax dollars in court costs on condemnation proceedings:

1) Offer Mr. Zachman equal value for his percent of the acreage for Site C. If the land acquisition costs are \$2,100,000 for this property and Mr. Zachman has been offered \$300,000. We estimate that Mr. Steeno is being offered \$1,800,000. If Mr. Zachman owns nearly 1/4 of Site C, then he should be offered \$600,000. Mr. Zachman's development of townhouses will also lose their view of the lake but neither he nor the new owners are being compensated for this loss.

Acquiring Mr. Zachman's property by purchasing it, would allow the "Public" path to be placed on the east side where it belongs. It would also allow the SEVEN story building to be moved further from Kinsel PUBLIC park.

2) Do not acquire Mr. Zachman's property through eminent domain and redesign Site C on Mr. Steeno's property only.

3) Begin condemnation proceedings after March 1, 2006 and this will signal to us that you are prepared to follow the law, whatever it should be.

Finally, Reason Foundation has written provisions to assist local elected officials in the wake of the Supreme Court's Kelo vs. New London decision. We would like you to consider adopting their provision.

**Prohibiting Eminent Domain for Economic Development**

Notwithstanding any other provision of law, neither this City nor any of its subdivisions shall use eminent domain to take property without the consent of the owner for economic development.

Economic Development --The term "economic development" means any activity to increase tax revenue, tax base, employment, or general economic health, when that activity does not result in (1) the transfer of land to public ownership, such as for a road, hospital or military base; (2) the transfer of property to a private entity that is common carrier, such as a railroad, utility, or tollroad; or (3) the transfer of property to a private entity when eminent domain will remove a harmful use of land, such as the removal of public nuisances, removal of structures that are beyond repair or that are unfit for human habitation or use, or acquisition of abandoned property.

All Minnetonka citizen's need to feel safe in the security of their homes. We cannot allow elected officials to make these decisions without our input. We hope you recognize the opinions of your constants as you carefully consider this matter. Please use your vote and do NOT begin condemnation proceedings.

Sincerely Minnetonka Voters,

Grace Sheely  
John Richard Sheely  
14325 Grenier Road  
Minnetonka, MN 55345

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**From:** Lonnie Anderson [lonniea@approdevelopment.com]  
**Sent:** Friday, February 24, 2006 8:19 AM  
**To:** Janis Callison  
**Cc:** John Gunyou; Brad Wiersum; Bob Ellingson  
**Subject:** eminent domain

Mayor Callison: Please do NOT take the chance that the Zachman 'blighted' property taken for 'a trail' would be in the public's best interest.

The property is needed for Wartman to build a larger building. In addition to variances to the building setbacks, the 65' property allows increased density on the now R5 zoning, leaving 15' of space for 'the trail'.

Thank you for your attention.

Lonnie and Laurie Anderson  
5404 Mayview Rd. 55345

Lonnie M. Anderson, A.I.A.  
Sr. Project Architect  
Appro Development  
952-469-2171  
952-412-0807 cell  
[www.approdevelopment.com](http://www.approdevelopment.com)

---

**From:** jschultc@aol.com  
**Sent:** Friday, February 24, 2006 11:19 AM  
**To:** John Gunyou  
**Subject:** please don't abuse eminent domain

Dear Mr. Gunyou,

Please give this your immediate attention. I am assuming you are aware of the potential use of eminent domain for a private developer in Glen Lake, Minnetonka.

The majority of residents of Glen Lake are angry and concerned by the fact that abuse of eminent domain will occur when the Minnetonka City Council will vote "yes" on Monday, February 27, 2006. This night the Minnetonka City Council will vote to seize property and turn it over to a private developer, Wartman, so he may build luxury condos (no affordable units) on the lakeshore of Glen Lake. There is a bogus claim of blight on this single family home on this site. The house has been licensed by the county and recently used for children's day care. The city's justification for imposing eminent domain on this home is simply, a path. That is correct, a path that will be open to the public but will most likely only be used privately by the residents living in these new condominiums.

I see this as a sham and a legacy our city and district does not need. I implore you to make the correct, ethical decision and not abuse eminent domain.

If you were to visit the Glen Lake area, you would see the many red, "Stop Eminent Domain Abuse" signs the community has collectively purchased and posted. Residents along Excelsior Boulevard to Highway 101, County Rd 4 into Eden Prairie, and Woodland to Highway 7 all feel strongly this is unmistakably unjust and an abuse of eminent domain. Some of my neighbors have spoke to our Representative Maria Ruud, and while she is sympathetic to the citizens, seems somewhat overwhelmed and powerless. Our district Senator Hann has been unavailable by phone.

Below I am including a website of a pertinent article on eminent domain in Tuesday's "New York Times." Please read this important article, if you have not done so.

I hope I can count on you to help me with this critical matter by representing the majority of your constituents.

Sincerely,

Jeff Schultenover

<http://www.nytimes.com/2006/02/21/national/21domain.html?pagewanted=1&ei=5094&en=8e0bbbd8c507afab&hp&ex=1140498000&partner=homepage>

2/24/2006

**City Council Agenda Item #14E  
Meeting of February 27, 2006**

**Brief Description:** Presentation of 2006 Assessment Report and property tax information.

**Recommended Action:** Receive the report.

**Background**

The assessing division has completed its work on the 2006 property assessment, and a report on the assessment results is enclosed for council review. Staff will present a brief summary of this report and 2006 property tax information at the February 27 council meeting, to afford the council the opportunity to ask questions.

Property tax statements for 2006 are expected to be mailed by Hennepin County by March 1. Market value notices are being mailed to property owners on Friday, March 3 with the 2006 market value information, which is applicable to property taxes payable in 2007.

**Recommendation**

Staff recommends the council receive the 2006 assessment report. No formal action is required of the council.

Submitted through:

John Gunyou, City Manager  
Ron Rankin, Community Development Director

Originated by:

Richard Toy, City Assessor

**YEAR 2006**

**ASSESSMENT REPORT**

City Assessor:

Richard Toy

Property Appraisers:

Joseph Dabruzzo  
Eric Johnson  
Rebecca Malmquist  
Amy Weber  
Michele Gelo

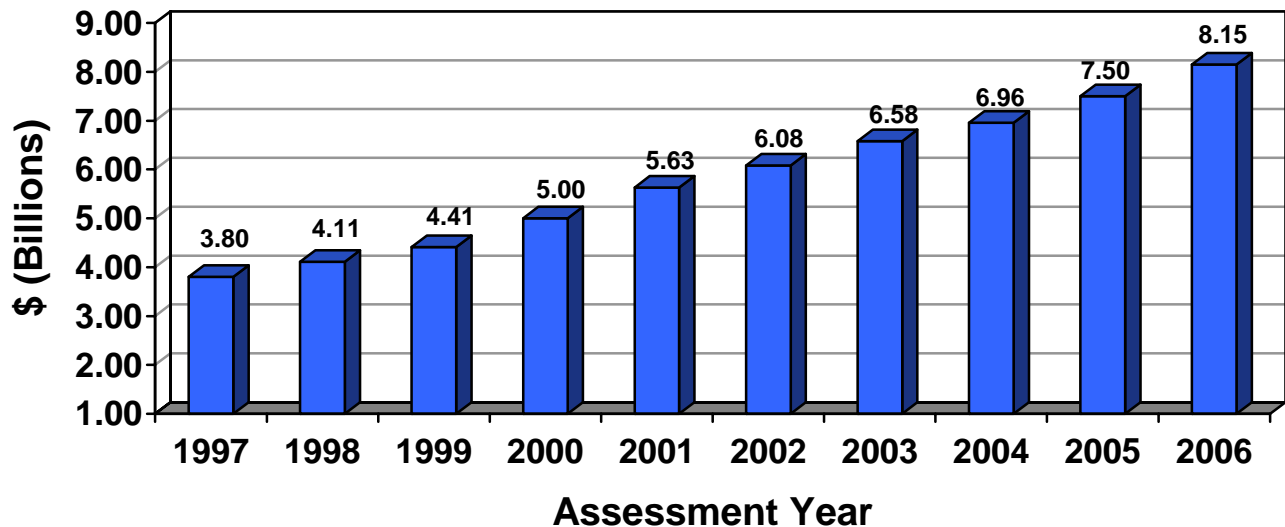
*The Assessing Division can be reached at 952-939-8220*

## SUMMARY

The 2006 property assessment has been completed, and property owners will receive a Notice of Estimated Market Value in early March. The 2006 property assessment applies to property taxes payable in 2007.

Key points of the 2006 property assessment include:

- The **total estimated market value** for Minnetonka in 2006 is \$8.15 billion, an increase of \$650 million, or 8.67%, over the \$7.50 billion total in 2005. Approximately 80% of the market value comes from single-family property, while 20% comes from commercial, industrial, and apartment properties.



- For 2006, most **residential properties** received statistical adjustments of 7% to 8%, a slight increase when compared to the changes made for the 2005 assessment. These adjustments are based on the specific characteristics of the property, its location, and comparisons to actual selling prices. This approach results in similar market value adjustments for like properties throughout the city.
- **Comparisons with other cities** for 2006 indicate most of the southwestern suburban cities are adjusting residential properties by 7% to 9%. With an

overall estimated average of 7.8%, these comparisons show that Minnetonka's adjustments are consistent with those of most neighboring communities.

- The **accuracy and equity of the property assessment** are evaluated through two statistical measures: the sales ratio and the coefficient of dispersion. The sales ratio is the assessor's estimated market value divided by the actual selling price. For 2006, Minnetonka's overall sales ratio is 96.3, indicating a very accurate assessment. The coefficient of dispersion measures how far the assessor's market values deviate from the median. For 2006, it is 5.2 demonstrating an equitable assessment.

	2001	2002	2003	2004	2005	2006
<b>SALES RATIO</b>	95.3	95.4	95.6	95.8	96.0	96.3
<b>COD</b>	5.3	5.4	5.2	4.9	5.2	5.2

- Minnetonka has **greatly expanded its use of the computer-aided assessment system**, to improve the accuracy of the annual assessment. All residential property is now valued via the CAA system, and whether compared by housing type, value or age, properties have received an accurate assessment.
- For 2006, **apartment and commercial/industrial properties** were reviewed individually and given appropriate adjustments. Most apartment properties were increased by 1% on average and commercial/industrial properties received an adjustment of +7.1%.

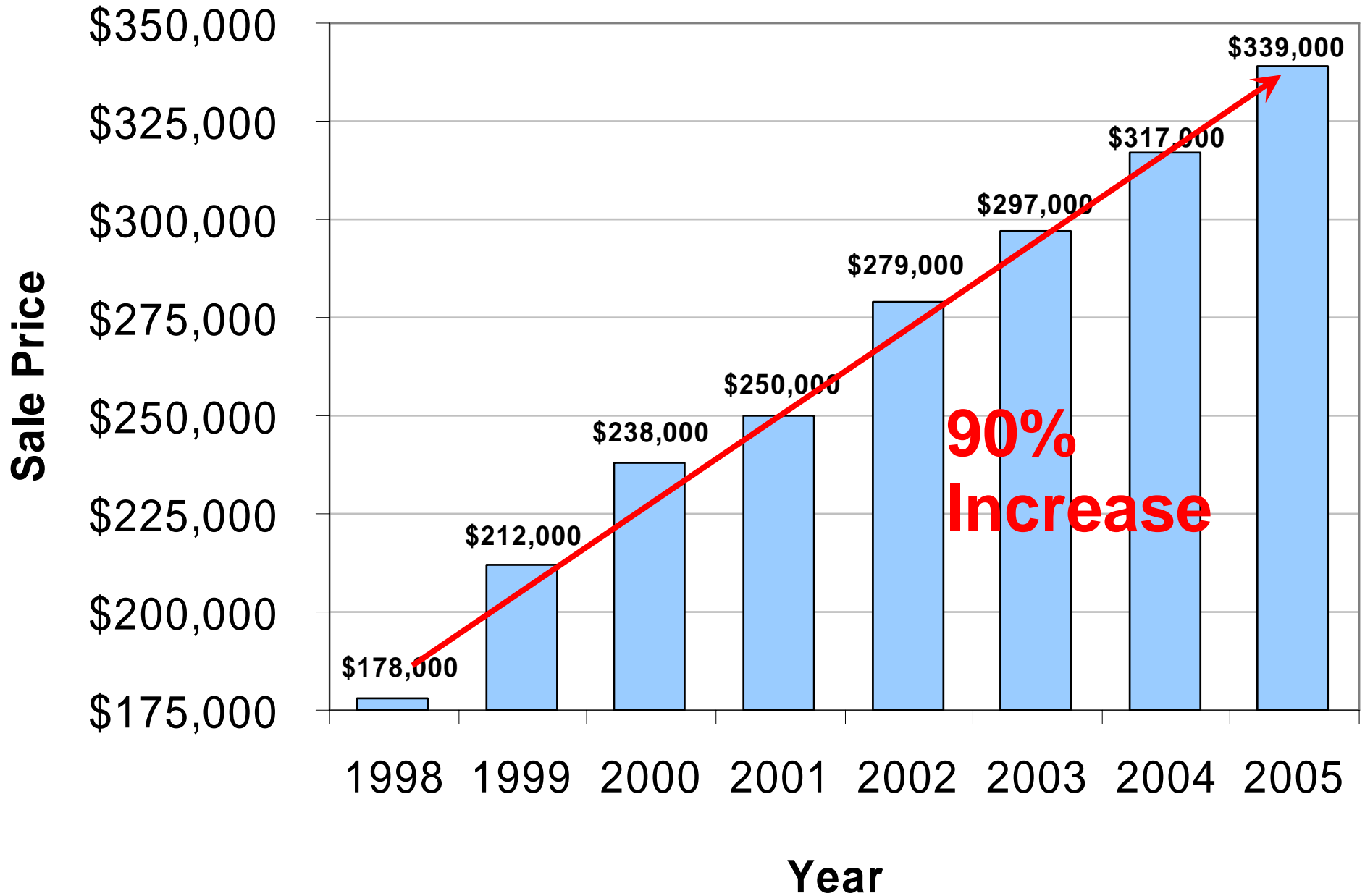
2001		2002		2003		2004		2005		2006	
C/I	Apts.	C/I	Apts.	C/I	Apts.	C/I	Apts.	C/I	Apts.	C/I	Apts.
+6.0%	+11.0%	+1.0%	+5.0%	-3.0%	+8.0%	-2.5%	+2.0%	+9.3%	+5.0%	+7.1%	+1.0%

- The **appeals process** is an important part of the annual property assessment. Residents having questions about their 2006 Notice of Estimated Market Value are urged to contact the Assessing Division. This allows staff to discuss the property characteristics and, where needed, conduct an on-site review. Property owners may appeal the market value set by the Assessing Division to the Local Board of Review, which meets on April 10, 2006.
- **Public information** about the property assessment process is provided in the March 2006 Minnetonka Memo, at the city's Web site, and through brochures distributed by the Assessing staff, as well as direct discussions during their on-site reappraisal visits. The web site will be updated this spring and contain information and excerpts from this assessment report.
- **Average 2006 market value changes** are listed below for the major property classifications:

<b>Single family residential</b>	<b>+ 7.8%</b>
<b>Lakeshore</b>	<b>+ 21.4%</b>
<b>Townhouses</b>	<b>+ 4.5%</b>
<b>Condominiums</b>	<b>+ 5.5%</b>
<b>Commercial</b>	<b>+ 7.5%</b>
<b>Industrial</b>	<b>+ 5.5%</b>
<b>Apartments</b>	<b>+ 1.0%</b>

- The chart on the following page indicates the change in the average sale price of single family housing in Minnetonka since 1998. Also included are 3 sales examples that represent the average selling price in 2005.

# Median Sale Price in Minnetonka 1998 - 2005





Address: 15019 Lloyds Lane  
Sale Price: \$335,000  
Sale Date: 10-2004  
Style: Two Story  
Above Grade Square Feet: 1,590  
Finished Square Feet: 2,200  
Built: 1963  
Lot: .51 Acres



Address: 18817 Hanus Rd  
Sale Price: \$337,000  
Sale Date: 6-2005  
Style: Split Entry  
Above Grade Square Feet: 1,316  
Finished Square Feet: 2,400  
Built: 1975  
Lot: .50 Acres



Address: 16510 Temple Dr N.  
Sale Price: \$345,000  
Sale Date: 7-2005  
Style: One Story  
Above Grade Square Feet: 1,132  
Finished Square Feet: 1,900  
Built: 1967  
Lot: .29 Acres

## STATUTORY REQUIREMENTS

Minnesota law establishes specific requirements for the entire property tax system, including the assessment of property. These requirements have not changed during the past year. The law requires the following:

1. All real property is to be valued at market value, which is defined as the usual or most likely selling price.
2. Property is classified according to State law, and the tax capacity amount is calculated.
3. The tax capacity is multiplied by the tax rate (the total of county, school, city and miscellaneous levies) to determine the amount of property tax.
4. Credits for certain property classifications, such as homestead and agricultural properties, are then subtracted to yield the net tax amount.

**The annual property assessment focuses on the very first step of this process –** establishing an estimated market value for each parcel of property. Market values are assessed locally by the city or township assessor, if there is one, or by the county assessor. The work of the local assessor is monitored by the county assessor, whose work is in turn monitored by the Minnesota Department of Revenue. The monitoring agency is authorized by law to adjust the property assessment to help ensure county-wide and state-wide equalization of property assessments. As a result, Minnetonka and other Hennepin County cities must regularly report to the County Assessor, who has established the standard that local property assessments reach at least 94.5% of actual market values, with a target ratio of 95.0%. At times, local assessments have been adjusted by the County Assessor or the State of Minnesota to meet this standard.

State law also requires that each individual property be inspected by the assessor at least once every four years. As a result, Minnetonka and other cities set up rotating appraisal schedules to ensure that this requirement is met.

**TAX CAPACITY RATES  
FOR PROPERTY TAXES PAYABLE IN 2006**

Residential Homestead:

First \$500,000 of value	1.00%
Amount over \$500,000	1.25%

Rental Housing:

First \$500,000 of value	1.00%
Amount over \$500,000	1.25%
4 or more units	1.25%

Commercial/Industrial:

First \$150,000 of value	1.50%
Amount over \$150,000	2.00%

Seasonal Residential:

First \$500,000 of value	1.00%
Amount over \$500,000	1.25%

<b>TAX CHANGE FOR RESIDENTIAL PROPERTY IN DISTRICT #270 WITH MAXIMUM INCREASE IN LIMITED MARKET VALUE</b>						
<b>Assessment Year</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>EMV</b>	\$200,000	\$217,000	\$238,700	\$267,300	\$307,400	\$353,500
<b>Taxes</b>	\$3,077	\$2,592	\$2,997	\$3,243	\$3,577	\$4,170

## LIMITED MARKET VALUE

State law provides a limited market value for most residential property. For 2006, this imposes a 15.0% cap on the annual increase in market value from the previous market value, or 25% of the difference between the current market value and the previous taxable value, whichever is greater, excluding improvements.

### **Example #1: 15% is applicable**

2005 Market Value:	\$280,000
2006 Market Value:	\$340,000
2006 Limited Market Value:	\$322,000

### **Example #2: Both factors are the same**

2005 Market Value:	\$280,000
2006 Market Value:	\$448,000
2006 Limited Market Value:	\$322,000

### **Example #3: 25% is applicable**

2005 Market Value:	\$280,000
2006 Market Value:	\$470,000
2006 Limited Market Value:	\$327,500

For taxes payable in 2007 (2006 assessment), 3,844 parcels will have a limited market value, representing almost 22% of all residential parcels in the city, down from the high level of 79% of residential parcels in 2004.

The 2001 Legislature extended the Limited Market Value law for five more years. Limited Market Value had been scheduled to expire in payable 2002, so property would have been taxed at its full market value beginning with taxes payable in 2003. This new law stated that all property would be taxed at its full estimated market value beginning with taxes payable in 2008.

Then in 2005, the legislature once again extended the Limited Market Value law for another year and it now should sunset with taxes payable in 2009.

Assessment year 2006, the increase can not exceed the greater of:

- 1) 15 percent of the value in the preceding assessment, or
- 2) 25 percent of the difference.

Assessment year 2007, the increase cannot exceed the greater of:

- 1) 15 percent of the value in the preceding assessment, or
- 2) 33 percent of the difference.

Assessment year 2008, the increase will not exceed the greater of:

- 1) 15 percent of the value in the preceding assessment, or
- 2) 50 percent of the difference.

Assessment year 2009-Limited Market Value scheduled to expire.

<b>Assessment Year</b>	<b>Estimated Market Value</b>	<b>Limited Market Value</b>	<b>Lost Value Due to Ltd Market Value</b>	<b>Percent Lost Due to Ltd Market Value</b>	<b>Less Qualifying Improvement (This Old House)</b>	<b>Total Taxable Market Value</b>
<b>2001</b>	\$5,643,229,200	\$5,364,607,000	\$278,622,200	4.94	\$5,567,600	\$5,359,039,400
<b>2002</b>	\$6,084,564,600	\$5,374,843,200	\$349,722,300	5.75	\$6,150,400	\$5,728,691,900
<b>2003</b>	\$6,582,919,100	\$6,200,018,300	\$382,900,800	5.82	\$7,320,300	\$6,196,698,000
<b>2004</b>	\$6,969,891,100	\$6,604,510,200	\$365,381,700	5.24	\$6,973,300	\$6,597,536,900
<b>2005</b>	\$7,504,319,700	\$7,373,338,900	\$130,980,800	1.75	\$6,395,100	\$7,366,943,800
<b>2006</b>	\$8,152,444,000	\$8,033,943,400	\$118,500,600	1.45	\$5,747,400	\$8,028,196,000

## THIS OLD HOUSE

Since 1993, State law had provided for a deferral of a portion of the market value added to older homes through new improvements. Since its inception, the "This Old House" law underwent many revisions. The law was phased out beginning with the 2003 assessment, and no additional properties could be enrolled in "This Old House." The latest version allowed deferrals for:

- 50% of the first \$50,000 of improvements to homes over 45 years old.
- 100% of the first \$50,000 of improvements to homes over 70 years old.
- Total market value of the property must have been less than \$400,000 at the time the permit was issued.

In the fall of 2002, the staff of the Minnetonka Assessor's office notified all eligible property owners that had building permit activity of this change, and reminded them that the projects needed to be complete as of January 2, 2003, the sunset date.

For the 2006 assessment, 493 properties still have qualifying improvement amounts totaling \$5,747,400 that will be deferred. Properties that had previously qualified and received a deferral will remain in the program until their 10-year exemption is complete.

The 2006 assessment year is the third year for phasing in the excluded values on properties that were eligible for the This Old House program in 1993. For properties with exclusions over \$10,000, the excluded value is phased in over a 5-year period, at 20% per year. For improvements less than or equal to \$10,000, the excluded value is phased back in over 2 years, at 50% per year. For the 2006 assessment, 64 properties were eligible for the first year phase in, resulting in the amount of their exclusion for 2005 being adjusted accordingly.

## ESTIMATING MARKET VALUES

**The purpose of the assessment process is to make an accurate estimate of the market value of each parcel of property, every year.** Doing so requires current information about the properties being assessed, and about the local real estate market.

**The Minnetonka Assessing Division maintains a record of every property in the City, including its size, location, physical characteristics, and condition.** This record is updated whenever new information becomes available – as the result of the four-year reappraisal, or when improvements are made to the property, or when a physical review is requested by the property owner. This information is computerized, allowing statistical comparisons of properties by type and location.

**It is important to know that assessors must of necessity use a mass appraisal process for valuing residential property, and the mass appraisal process is different from the individual appraisal system used by banks, mortgage companies and others.** The mass appraisal system used in Minnetonka involves the comparison of thousands of properties with the actual residential market sales from the same district, and market sales of the same quality and type of property throughout the city. New houses, additions, and remodeling are valued based on their individual characteristics and the current costs of construction.

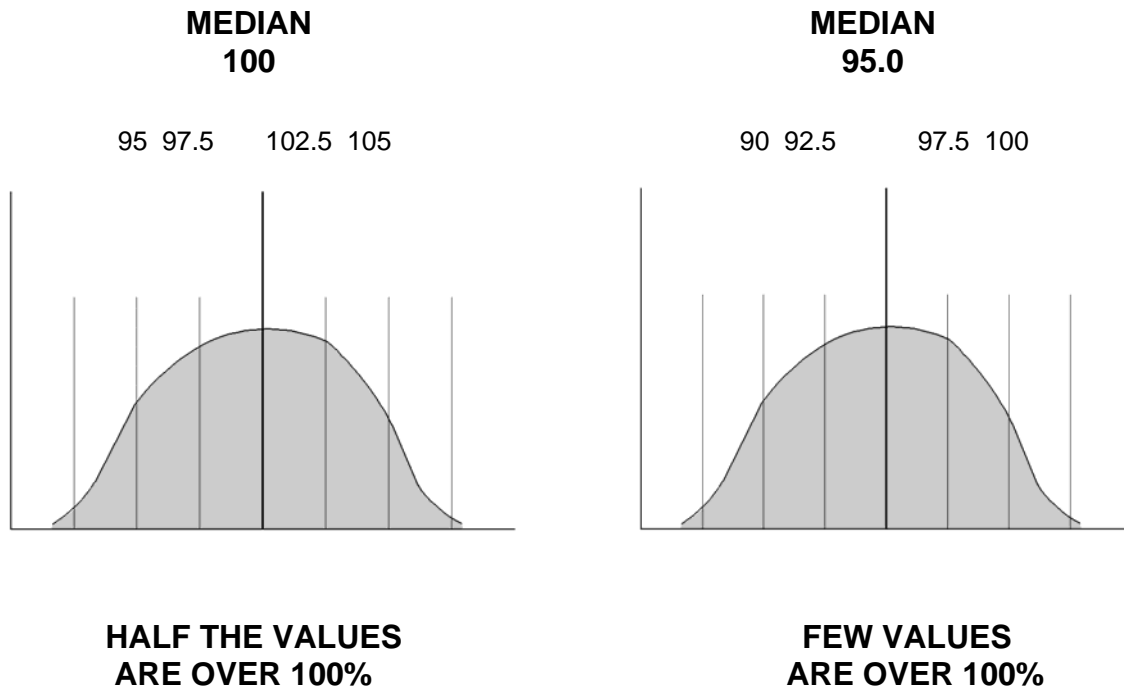
**Having the local assessment system operate effectively requires as much information about the local real estate market as possible.** The Assessing Division makes a record of all property sales, using the Certificate of Real Estate Value (or CRV) filed at Hennepin County for each property sale. This information is augmented with sales information obtained regularly from the Multiple Listing Service (MLS) and other sources.

**The Assessing staff also examines multiple sales – properties that have sold more than once over a period of a few years.** After taking into account any physical changes that may have occurred, the Assessor is able to determine what is happening to the real estate market over that period of time. In all cases, the sales information collected by the Assessing Division is closely scrutinized. Evidence suggesting a forced sale, foreclosure, a sale to a relative, or anything but an arms-length transaction results in the sales information being discarded. This is important, because the real estate sales information constitutes the data- base for the statistical comparisons necessary to make the property assessment.

The accuracy of the Assessing Division's estimated market values is measured by the sales ratio, which is simply the Assessor's estimated market value divided by the actual selling price. For example, a house having its estimated market value assessed at \$285,000 and an actual selling price of \$300,000 gives a sales ratio of 95.0. For cities in Hennepin County, the accepted range for the median sales ratio measurement is 90 to 105. In other words, the median (or midpoint) of the sales ratios for all properties sold should fall within 90 to 105.

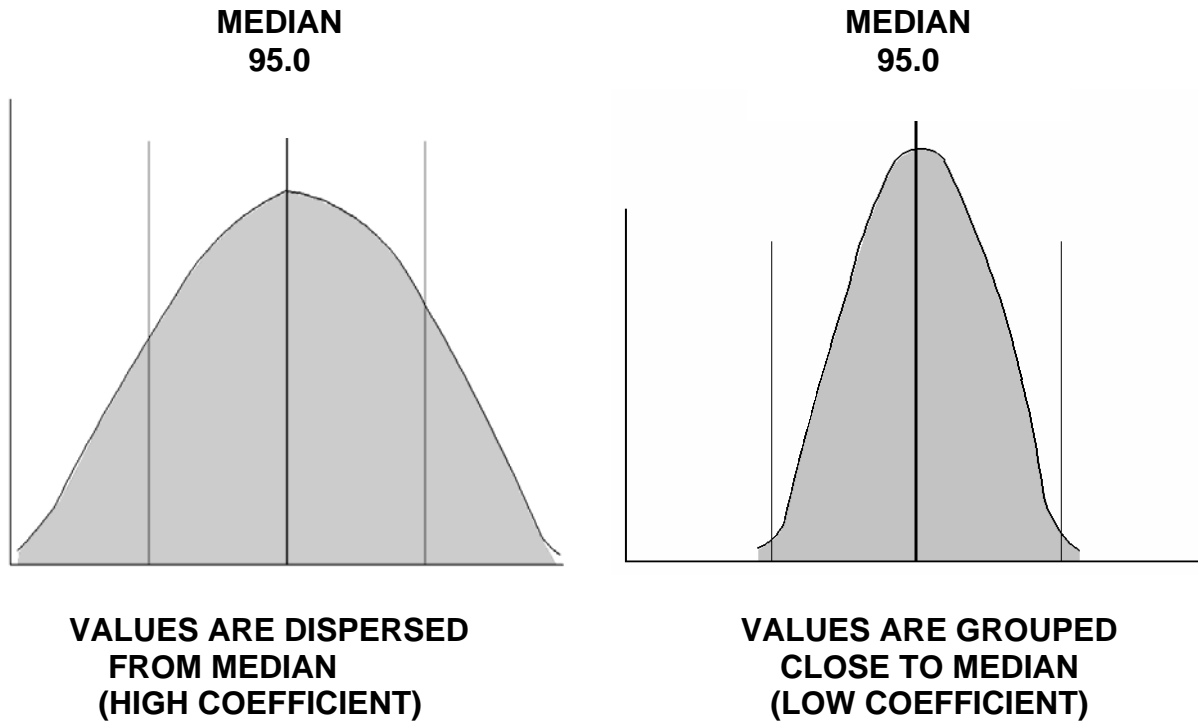
A sales ratio of slightly less than 100 is desirable in order to avoid having a great many properties valued at more than their actual market value. If the median sales ratio were at 100, as shown at the left below, it would mean that half the properties were assessed at less than market value and half were higher, with too many over the actual market value. On the other hand, as shown at the right below, a sales ratio of 95.0 means half the properties are below 95.0% of actual market value, half are higher, and a relative low number are valued by the Assessor at more than actual market value. Therefore, the acceptable range is 90 to 105, with a target of 95.0. Minnetonka's 2006 assessment results in a sales ratio of 96.3.

**SALES RATIO:**



**A measure of the equity of the property assessment is the coefficient of dispersion, which measures the average deviation or dispersion from the midpoint, or median. The more closely the Assessor's values are grouped around the midpoint, the more equitable the assessment. This is true because relatively few properties have been valued too high, or too low, compared to actual selling prices. For the annual property assessment, a coefficient of dispersion of less than 15 is deemed acceptable and less than 10 is considered excellent. Minnetonka's 2006 assessment reflects a coefficient of dispersion of 5.2.**

**COEFFICIENT OF DISPERSION:**



Historical sales ratios and coefficients of dispersion are as follows:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>SALES RATIO</b>	94.2	94.4	94.5	94.7	95.3	95.4	95.6	95.8	96.0	96.3
<b>COD</b>	6.7	6.6	5.6	5.5	5.3	5.4	5.2	4.9	5.2	5.2

The review process is a key aspect of the mass appraisal system. Because some properties receive statistic-based adjustments to market value, the review allows the assessing staff the opportunity to individually examine certain properties. Where there is evidence a property has been overvalued or valued inequitably, its market value can be readjusted to an appropriate amount. A property owner who is not satisfied with the assessing staff's review may make an appeal to the Local Board of Review, which meets on April 10, or make an appeal directly to state tax court. Property owners can reach the Assessing Division by phone at 952-939-8200.

## HISTORICAL CHANGES IN MARKET VALUE

**Minnetonka has typically experienced steady growth in the market value of real property in the community since the early 1990's.** This has occurred through the construction of new single-family, multi-family and commercial properties as well as the appreciation of existing properties. **Minnetonka had 13.3%** growth in 2000, **12.5%** growth in 2001, **8.0%** growth in 2002, **8.2%** growth in 2003, **5.88%** in 2004, **7.67%** in 2005, and **8.67%** for the 2006 assessment as depicted on the first chart.

The second chart shows the amount of market value change from year to year, and the proportions of the change attributable to new construction and appreciation. As indicated, the city's total market value shows continuing increases for the 2006 assessment.

Also provided is a chart that illustrates the total 2001 - 2005 tax capacity divided among major property classes. Single-family residential property represents by far the major portion of total tax capacity, followed by commercial/industrial, multi-family, and other classes of property.

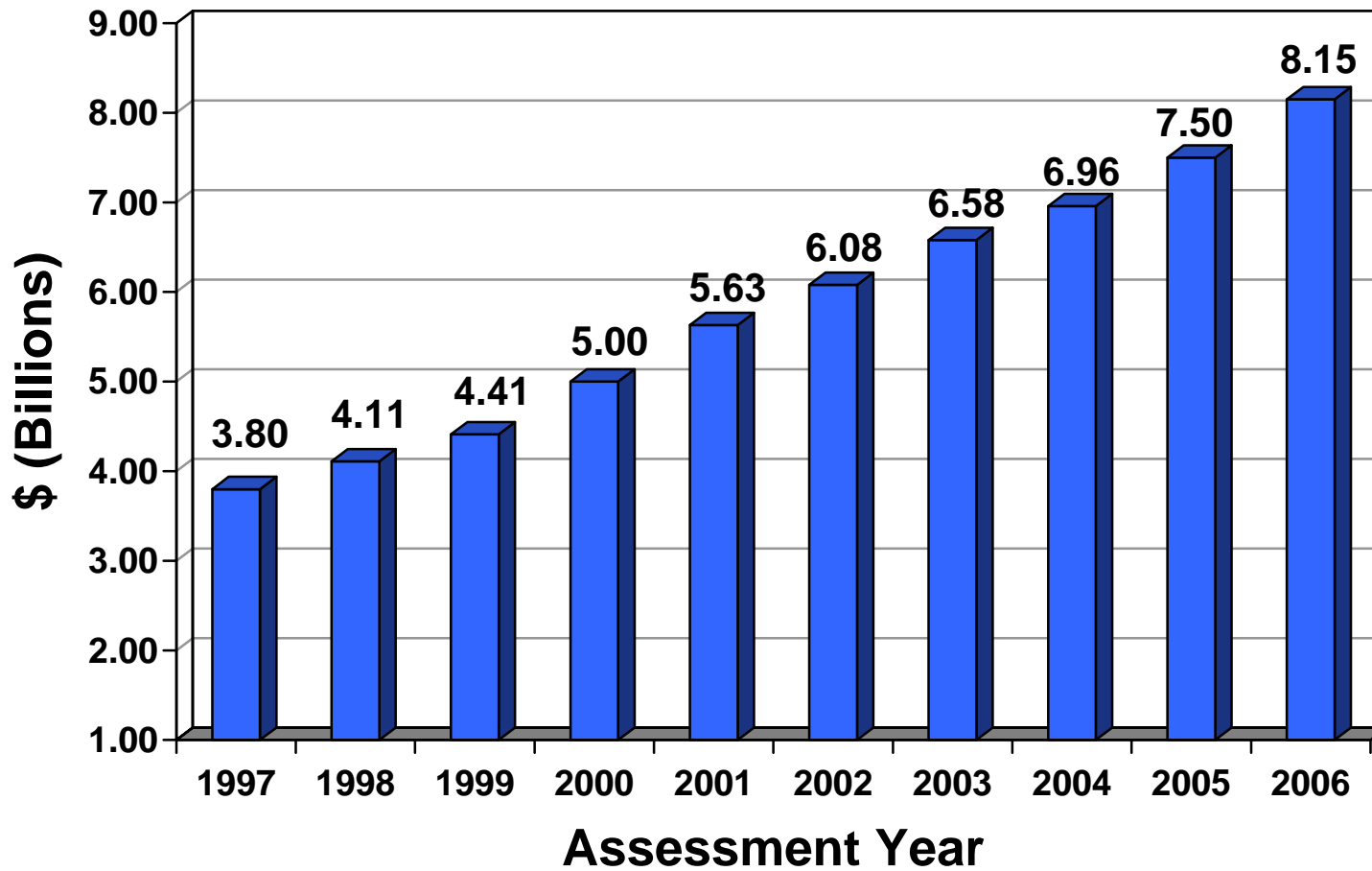
# CITY OF MINNETONKA

## MARKET VALUE GROWTH 1996-2006

YEAR	MARKET VALUE	NEW CONSTRUCTION	VALUE INCREASE	TOTAL GROWTH
1996	\$ 3,535,015,000	2.09%	5.80%	7.89%
1997	\$ 3,803,415,600	2.36%	5.23%	7.59%
1998	\$ 4,117,395,400	1.69%	5.55%	7.24%
1999	\$ 4,414,383,600	2.18%	5.12%	7.30%
2000	\$ 5,002,728,300	2.67%	10.63%	13.30%
2001	\$ 5,630,700,700	2.73%	9.82%	12.55%
2002	\$ 6,080,800,000	1.70%	6.30%	8.00%
2003	\$ 6,582,919,100	1.10%	7.10%	8.20%
2004	\$ 6,969,891,100	0.62%	5.26%	5.88%
2005	\$ 7,504,319,700	0.86%	6.81%	7.67%
2006	\$ 8,152,444,000	1.40%	7.27%	8.67%

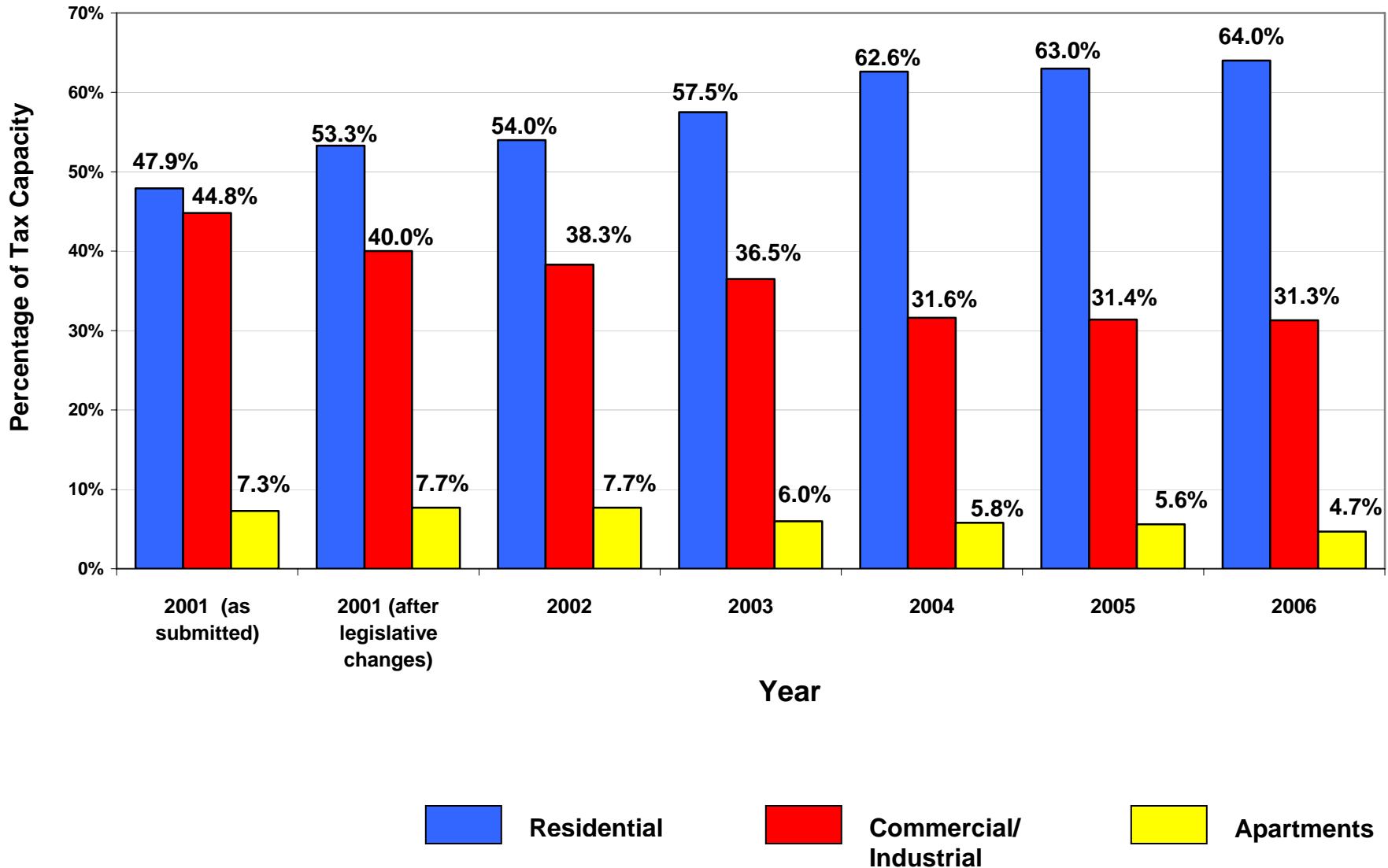
# City of Minnetonka

## Total Estimated Market Value



# City of Minnetonka

## Tax Capacity By Property Class



## THE 2005 ASSESSMENT

**The Assessing staff uses city-wide comparisons of similar styles, quality, and classes of homes in making the annual property assessment.** As described below, this comparison results in the same market value adjustment being made to like properties throughout the city. For example, a moderately-sized, three bedroom rambler in the northeastern part of the city is valued based on the actual sale prices of similar ramblers throughout the city, rather than solely by the sale prices of all types of homes in its geographic area.

A description of the quality/class criteria used by the appraisers in appraising single-family houses follows. As indicated, this system can be applied to all styles of houses (ramblers, two-story, etc.) and allows the appraiser a substantial range of judgment in setting the quality/class for a particular house. **When the quality/class has been determined, the appraiser applies a prescribed dollar rate to the square footage of the house, and then adds or subtracts other amounts depending upon the specific features and characteristics of the house.**

**Most single-family properties are grouped into geographic districts for the purpose of conducting the periodic physical appraisal of properties.**

Quality/class features are re-examined at that time, along with other characteristics of the house. In some cases, markets within specific homogeneous neighborhoods in a district can be studied as discrete markets. This permits improved accuracy in the assessment.

**Special city-wide districts have been established for other types of residential property, such as houses having market values over \$750,000, and for townhouses, condominiums, and duplexes.** This permits the city-wide study of the markets for these types of housing, as well as the study of a particular building complex or neighborhood.

Staff uses the PDS computer aided mass appraisal (CAMA) system to determine the market value for each residential property. Prior to the 2003 assessment, Minnetonka and other cities, used trending factors to revalue all the properties (approximately 80%) not in the quintile districts that are physically reviewed each year. Staff believes that by now revaluing both land and improvements on an annual basis, it adds to the accuracy and equity of the assessment process.

In the spring of 2005 LOGIS launched a new Property Data System (PDS) that still is in a development stage. Staff is hopeful that when the new system is complete it will provide tools for enhanced sales analysis (multiple regression analysis) that will allow staff to improve the equity of the mass appraisal process.

## **QUALITY/CLASS DESCRIPTIONS:**

- A1** **Luxury homes**, individually designed properties, characterized by custom workmanship, finish, appointment, and the highest quality in every detail. Square footage will be in excess of 3,500 square feet for ramblers and 4,000 square feet for 2-story. Features will typically include masonry exteriors with top quality fenestration and tile or shake roof cover, gourmet design and first quality kitchens. Master bedroom suites with spa type bath, top quality bathrooms with a minimum 1 to 1 ratio with bedrooms, specialty rooms such as a library or hearth rooms, and extensive landscaping.
- A2** **Exceptional homes**, individually designed and characterized by custom workmanship, finishes, appointments and attention to details. Ramblers range from 2,000 to 5,000 square feet; two story houses from 3,000 to 7,000 square feet. Features typically include a shake roof, brick or stone exterior, top quality kitchen and bath finish, master bedroom suites and extensive landscaping.
- A3** **Excellent homes**, having many of the same features as A1 properties, but differing slightly because of scaling back on building size, the amount and quality of bathrooms, cabinetry and built-in features. Individually designed with high-quality workmanship and materials.
- A4** **Excellent homes**, built in quality developments, and often individually designed. Attention is given to interior refinement and detail, such as hardwood floors and custom cabinets. Ramblers will range from 2,000 to 3,500 square feet; two story houses from 2,400 to 4,000 square feet. Exteriors have good fenestration and custom landscaping.
- A5** **Very good to excellent houses**. These homes may have been built in the 1970's or early 1980's with highest quality design, materials and workmanship. Changing standards since the time of construction may result in these properties being considered somewhat dated. Or, the houses may be newly constructed but are scaled back from excellent quality/class in terms of size, finish and custom features.
- B5** **Very good homes**, still featuring individual design, but kitchen and bath quality show a marked difference from A-graded properties. These houses may have Formica countertops, with carpet, tile or vinyl floor coverings, but still include vaulted ceilings and sunken rooms. Square footage will typically range from 1,800 to 3,000 square feet.
- B6** **Good houses**, typically those built in above-average residential developments, or for an individual owner. Interiors are well finished and feature good quality carpet, vinyl, or hardwood floor coverings. Kitchens will not generally feature an

island or work station. Doors, trim and windows are generally above average, and the roof has asphalt shingles.

- B7** **Above average homes**, these residences were usually built in the 1960's and 1970's. Floor coverings, countertops and details are slightly above standard grades. The quality of materials and workmanship is acceptable, but does not reflect custom craftsmanship. Size typically ranges from 1,600 to 2,600 square feet.
- B8** **Average houses**, these properties are not custom designed, but meet or exceed minimum construction standards. Cabinets, doors, trim, hardware and plumbing are usually stock items. Kitchen cabinets are typically pre-finished plywood and exterior siding is hardboard or masonite. These homes usually have an extra 3/4 full bath on the main level. Generally built in the 1950's and 1960's, B8 houses and C9 houses constitute the majority of the housing stock.
- C9** **Average homes**, similar to the quality of B8 residences, but generally having only a single, full bath on the main level. Sometimes referred to as "tract homes", most materials are stock grade, such as hollow-core flush doors. Ramblers range in size from 900 to 1,400 square feet, while two-story houses range from 1,200 to 1,800 square feet.
- C10** **Fair houses**, where the overall quality of materials and workmanship is below average. These homes were generally constructed prior to 1950 and may show forms of deferred maintenance or functional obsolescence (for example, no dining room or a poor floor plan). Interior and exterior finishes are plain and inexpensive, with no upgrades.

# City of Minnetonka Sales by Sales Price

<b>Sale Price</b>	<b>2002 # of Sales</b>	<b>2002 % of Sales</b>	<b>2003 # of Sales</b>	<b>2003 % of Sales</b>	<b>2004 # of Sales</b>	<b>2004 % of Sales</b>	<b>2005 # of Sales</b>	<b>2005 % of Sales</b>
Less than \$200,000	88	16.80%	36	7.10%	23	4.70%	6	1.50%
\$200,100 to \$350,000	291	55.60%	297	58.80%	271	55.60%	222	53.50%
\$350,100 to \$600,000	95	18.20%	122	24.20%	136	27.90%	118	28.50%
Greater than \$600,000	49	9.40%	50	9.70%	57	11.80%	69	16.50%
<b>Total</b>	<b>523</b>	<b>100.00%</b>	<b>505</b>	<b>100.00%</b>	<b>487</b>	<b>100.00%</b>	<b>415</b>	<b>100.00%</b>

## APARTMENT AND COMMERCIAL/INDUSTRIAL ASSESSMENT

As previously illustrated in this report, these property types have historically comprised a significant share of the tax base in Minnetonka. In the late 1990's, both property classifications experienced significant appreciation due to a strong economy and low unemployment although appreciation moderated greatly beginning in 2002. For 2005 both classifications saw an impressive rebound.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Commercial/Ind</b>	6.0	8.0	8.5	10.0	6.0	1.0	-3.0	-3.0	9.3	7.1
<b>Apartments</b>	10.0	8.0	12.0	15.0	11.0	5.0	8.3	2.0	5.0	1.0

Until very recently, the Commercial/Industrial market has been adversely affected by the 2001 recession. This has been especially true for the office market. The decline in the market has led to numerous tax petitions being filed with the Minnesota Tax Court. In the past two years, over \$1 billion in market value has been appealed. These petitions require a substantial amount of time to resolve.

The office market experienced an eight-year high in space absorption in 2005. Vacancy rates on Class A buildings decreased from 13.9% to 9.1% while Class B office buildings saw an increase from 14.6% to 16.4% as tenants with expiring leases took advantage of low rates to upgrade into the Class A buildings. Absorption is expected to continue throughout 2006.

Further evidence of the market turnaround was exhibited in the sale prices of two investment-grade buildings in Minnetonka in 2005, the G & K building in Opus (formerly American Hardware) sold for \$134 a square foot and Pondview Plaza, also in Opus, sold for \$147 a square foot. Both of these buildings had experienced considerable vacancy in 2003-2004 (65%) but were substantially occupied (95%) at the time of sale.

Vacancy rates declined minimally for industrial properties in 2005 and rents remained flat or rose slightly. Office-warehouse vacancy rates declined from

13.8% to 11.9 % in the Southwest suburbs and office-showroom vacancy rates dropped from 15.3% to 13.9%.

Retail properties remain the stalwart of the commercial market and at the end of 2005 the vacancy rate had declined to 3.8% in the Southwest suburbs. However, leasing is expected to slow down in 2006 as consumers are expected to reduce spending in response to higher energy costs and interest rates.

<b>Year</b>	<b>Office</b>	<b>Warehouse/Industrial</b>	<b>Retail</b>
2003	-8.0%	+0.0%	+3.5%
2004	-5.3%	-6.2%	+3.7%
2005	11.0%	11.0%	12.0%
2006	7.5%	5.5%	8.0%

The current apartment market remains flat. From the late 1990's through 2001, the vacancy rates were approximately 1% in the southwest suburbs. However, with interest rates declining to record low levels the vacancy rate for multi-family housing spiked considerably from 2003-2005. It is expected though that this market may see a positive return again with mortgage rates increasing over the past several months.

## COMPARISONS WITH OTHER CITIES

The Assessing Division has contacted other southwest suburban communities to determine the overall adjustment they have made to the market values of existing residential properties for their 2006 assessment. These amounts do not include increases in value due to new construction. The reported adjustments are as follows:

CITY	2000 PERCENT INCREASE	2001 PERCENT INCREASE	2002 PERCENT INCREASE	2003 PERCENT INCREASE	2004 PERCENT INCREASE	2005 PERCENT INCREASE	2006 PERCENT INCREASE
Bloomington	11.0	12.8	12.9	9.0	8.5	7.9	7.1
Eden Prairie	9.0	11.9	10.4	10.3	7.5	7.5	6.2
Edina	13.5	15.8	15.5	8.5	8.9	7.6	10.9
Hopkins	10.5	13.5	13.0	12.0	11.0	9.3	8.2
Maple Grove	10.0	11.5	13.0	9.5	9.6	8.4	8.6
<b>Minnetonka</b>	<b>9.7</b>	<b>11.8</b>	<b>10.1</b>	<b>10.5</b>	<b>8.5</b>	<b>6.6</b>	<b>7.8</b>
Plymouth	11.0	13.8	11.0	9.0	9.0	6.3	7.6
St. Louis Park	10.5	14.2	14.7	12.0	10.0	8.8	6.5

As shown, Minnetonka has market value adjustments for 2006 that are consistent with other municipalities in western Hennepin County.

Also of interest is a historical comparison of city sales ratios as calculated by the Hennepin County Assessor's Office. The significance of these ratios, shown on the following pages, is their measurement of the equity or fairness of the assessments made by all Hennepin County communities. As shown, there is little variation among the ratios, which indicates an equitable level of assessment among the cities. Following the list of sales ratios are notes describing adjustments made to local assessments by Hennepin County or the State of Minnesota.

**HENNEPIN COUNTY RESIDENTIAL SALES RATIO  
(MEDIAN PERCENTAGE)**

<b>CITY</b>	<b>3/00</b>	<b>3/01</b>	<b>3/02</b>	<b>3/03</b>	<b>3/04</b>	<b>3/05</b>
<b>Bloomington</b>	<b>94.5</b>	<b>95.0</b>	<b>95.6</b>	<b>95.7</b>	<b>95.5</b>	<b>96.7</b>
Brooklyn Center	94.1	95.2	96.1	96.5	97.0	96.4
Brooklyn Park	94.0	95.0	95.0	95.1	95.7	95.0
Champlin	94.8	96.9	96.4	97.7	96.3	97.1
Corcoran	95.6	95.7	95.2	96.0	95.2	96.4
Crystal	94.2	94.6	95.2	95.1	95.3	96.0
Dayton	94.6	96.4	96.3	96.5	96.1	97.6
Deephaven	94.8	95.3	95.7	95.2	95.7	96.1
<b>Eden Prairie</b>	<b>95.0</b>	<b>95.0</b>	<b>95.2</b>	<b>95.7</b>	<b>95.9</b>	<b>96.2</b>
<b>Edina</b>	<b>94.3</b>	<b>95.1</b>	<b>95.0</b>	<b>96.1</b>	<b>96.0</b>	<b>95.6</b>
Excelsior	94.8	97.0	97.5	95.0	96.3	95.5
Golden Valley	95.6	95.2	95.2	95.6	95.1	95.5
Greenfield	N/A	97.8	96.4	97.0	95.4	95.6
Greenwood	94.8	95.5	97.1	96.1	95.5	95.6
Hanover	94.3	106.0	95.2	95.1	96.1	97.5
Hassan	98.4	96.7	95.4	97.2	95.0	95.6
<b>Hopkins</b>	<b>94.2</b>	<b>95.1</b>	<b>95.1</b>	<b>95.0</b>	<b>95.4</b>	<b>96.1</b>
Independence	94.0	95.5	95.8	96.6	95.6	96.1
Long Lake	94.3	95.6	96.0	95.4	96.4	95.5
Loretto	95.0	95.6	96.5	96.7	95.5	96.0
<b>Maple Grove</b>	<b>94.7</b>	<b>95.2</b>	<b>96.4</b>	<b>96.1</b>	<b>95.8</b>	<b>96.1</b>
Maple Plain	95.6	95.5	95.1	95.6	96.1	97.8
Medicine Lake	95.0	96.4	95.0	NA	95.5	NA
Medina	95.0	95.7	95.2	95.6	96.1	95.5
Minneapolis	96.9	96.3	96.1	96.5	96.4	96.8
<b>Minnetonka</b>	<b>94.7</b>	<b>95.3</b>	<b>95.4</b>	<b>95.6</b>	<b>95.5</b>	<b>96.0</b>
Minnetonka Beach	96.6	95.6	96.0	95.8	95.2	97.0

**HENNEPIN COUNTY RESIDENTIAL SALES RATIOS  
( MEDIAN PERCENTAGE) continued**

<b>CITY</b>	<b>3/00</b>	<b>3/01</b>	<b>3/02</b>	<b>3/03</b>	<b>3/04</b>	<b>3/05</b>
Minnetrista	95.1	96.6	96.5	96.6	95.4	96.2
Mound	94.5	95.6	95.2	96.5	95.5	95.7
New Hope	94.2	95.7	95.9	95.8	95.5	95.9
Orono	94.0	95.4	95.7	95.9	96.0	95.4
Osseo	94.4	96.1	96.6	94.9	97.0	96.0
<b>Plymouth</b>	<b>94.6</b>	<b>94.9</b>	<b>95.8</b>	<b>95.3</b>	<b>96.5</b>	<b>95.1</b>
Richfield	94.3	94.7	95.3	95.7	95.5	95.8
Robbinsdale	94.5	95.4	95.1	95.1	95.1	95.3
Rockford	94.1	94.6	95.1	98.3	NA	95.5
Rogers	94.3	97.7	96.1	95.3	96.0	95.6
St. Anthony	94.8	95.4	95.0	95.8	95.8	95.6
St. Bonifacious	96.1	94.8	95.1	96.0	95.0	95.4
<b>St. Louis Park</b>	<b>94.5</b>	<b>96.2</b>	<b>95.9</b>	<b>95.7</b>	<b>96.0</b>	<b>95.9</b>
Shorewood	95.9	96.1	95.1	96.5	97.1	95.6
Spring Park	94.5	95.6	96.2	96.3	95.1	96.6
Tonka Bay	94.5	95.6	96.4	95.1	96.9	97.5
Wayzata	94.7	96.2	96.5	96.8	95.4	96.6
Woodland	96.4	94.8	95.7	95.6	95.4	95.0
Hennepin County	94.4	95.3	95.4	96.1	95.7	95.8

## THE APPEALS PROCESS

Key points to the market value appeals process include:

1. **Staff Review** – it is important for anyone having questions about their market value or the assessment process to contact the assessing staff. The large majority of property owners' concerns can be resolved through this administrative review.
2. **Local Board of Review** – the Local Board of Review will meet on April 10 and April 26, 2006. Staff will again attempt to provide complete information regarding each property that is the subject of appeal. This process is greatly helped if property owners contact the Assessing Division in advance of the meeting if they intend to make an appeal. The Minnetonka City Council has made it a practice to have local real estate professionals act as advisors to the Board of Review.
3. **County Board of Review** – property owners may appeal the decision of the Local Board of Review to the County Board of Review which meets on June 12, 2006.
4. **State Tax Court** – property owners may appeal the decision of the County Board of Equalization to the State Tax Court.

On the next page is a recap of recent results of market value inquiries and appeals. As shown, the number of properties involved has been a relatively small number of the total parcels in the city.

In order to provide a more complete understanding about the appeals process, the Assessing staff has developed a brochure to be given to property owners. The brochure provides a description of the process, and urges residents to contact the Assessing staff with any questions or concerns they may have.

## APPEALS HISTORY

The mass appraisal system depends upon an effective opportunity for appeals by individual property owners. Minnetonka's assessment procedures provide this opportunity through inquiries to, and reviews by, the assessing staff, and formal appeals to the Local Board of Review, County Board of Review, and State Tax Court. The following chart shows the recent history of the appeals process in Minnetonka.

	1998	1999	2000	2001	2002	2003	2004	2005
<b>Total Parcels</b>	19,389	19,426	19,532	19,651	19,688	19,957	20,103	20,204
<b>Inquiries to Staff</b> (estimated)	1,000	900	800	700	700	850	1,200	900
<b>Staff Reviews</b> Change/No Change	290 170/120	275 145/130	200 86/114	125 30/95	110 16/94	130 34/96	235 105/130	295 60/235
<b>Appeals to Board</b> Change/No Change	26 6/20	15 6/9	12 5/7	9 1/8	2 1/1	10 3/7	20 3/17	9 1/8
<b>Appeals to County</b> Change/No Change	4 0/4	3 1/2	2 0/2	1 0/1	0 NA	0 NA	4 1/3	4 1/3
<b>Petitions to Tax Court*</b>	42	31	58	58	59	62	45	N/A

\*Petitions regarding the 2005 Assessment can be filed until April 30, 2006.

## PUBLIC INFORMATION AND CITIZEN RELATIONS

Staff provides public information in a number of ways, in an effort to keep Minnetonka residents informed about the market value notification and appeals process, and about current property tax rates.

An article for the March 2006 *Minnetonka Memo* has been prepared to provide information on market values and property taxes.

The Assessing Division staff tries to make certain that all who contact the City about market values or property taxes receive a prompt, courteous response. Staff uses a record-keeping system to keep track of inquiries about market values and to see that those inquiries are appropriately guided through the review process. Also, every property owner that requests a staff review of their market value receives a written response from the City Assessor.

The Assessing staff has worked diligently to provide clear information to property owners about a property tax system that is complex and often difficult to understand. Each spring, Assessing staff sends introductory letters to residents in reappraisal neighborhoods. These have been well received by property owners, and help increase the number of reappraisals the Assessing Division is able to conduct in these neighborhoods.

Staff regularly updates the Web Page for the Assessing Division in an attempt to keep property owners informed.

## 2006 ASSESSMENT CALENDAR

<u>DATE</u>	<u>ACTION</u>
February 27	City Council reviews 2006 Assessment Report.
March 1	Informational articles distributed as part of the March Minnetonka Memo
March 1	County Auditor's target date for mailing 2006 property tax statements.
March 3	City Assessor's target date for mailing 2006 value notices
March 20	City Council appoints advisors to the Local Board of Review.
April 1	Last day for property owners to file an appeal to appear at the Local Board of Review.
April 10 to April 26	Local Board of Review.
April 30	Last day for property owners to file State Tax Court petitions regarding the 2005 assessment.
June 13	Hennepin County Board of Review.

**City Council Agenda Item #15A**  
**Meeting of February 27, 2006**

**Brief Description:** Appointments to the community heritage commission.

**Recommended Action:** Approve the recommended appointments.

**Background**

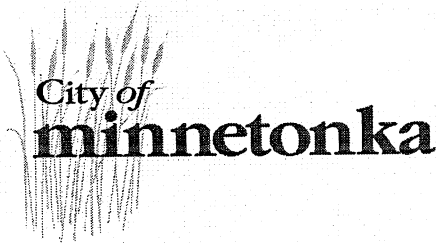
Three openings exist on the community heritage commission. The city council recently interviewed DeeAnn Bloom, Jenna Burfeind, and Fred Clark. Each candidate expressed a willingness to dedicate the time and energy necessary to be contributing members of the commission and I am recommending that they fill the openings. Their applications are attached for review. An updated roster, showing the composition of the community heritage commission following these appointments, is also attached.

**Recommendation**

To approve the following appointments:

- DeeAnn Bloom, to the community heritage commission, to serve a two-year term, effective February 27, 2006 and expiring on January 31, 2008.
- Jenna Burfeind, to the community heritage commission, to serve a two-year term, effective February 27, 2006 and expiring on January 31, 2008.
- Fred Clark, to the community heritage commission, to serve a two-year term, effective February 27, 2006 and expiring on January 31, 2008.

Respectfully submitted,  
Janis A. Callison  
Mayor



Please return application to:  
**Karen Telega**  
**Administrative Assistant**  
 City of Minnetonka  
 14600 Minnetonka Boulevard  
 Minnetonka, MN 55345  
 952.939.8211 - Phone  
 952.939.8244 - Fax

**BOARDS & COMMISSIONS APPLICATION**

*Received 1/19/06  
 entered*

Please indicate by order which of the following you are interested in (1,2,3, etc.):

- |   |   |
|---|---|
| <input type="checkbox"/> Planning Commission            | <input type="checkbox"/> Park Board                               |
| <input type="checkbox"/> Economic Development Authority | <input checked="" type="checkbox"/> Community Heritage Commission |
| <input type="checkbox"/> Charter Commission             | <input type="checkbox"/> Lake Minnetonka Conservation District    |
| <input type="checkbox"/> Police Advisory Committee      | <input type="checkbox"/> Senior Citizen Advisory Board            |
| <input type="checkbox"/> Ad Hoc Task Force              |   |

We welcome you as an applicant for one of the city's commissions, boards or ad hoc task forces. Residents of Minnetonka are eligible for nomination to any of the city's advisory boards as established by the city council. Please complete the following information, and attach extra sheets if necessary.

Accommodations will be provided, upon request, to allow individuals with disabilities to participate in the application process. For more information, contact Karen Telega (952.939.8211).

**DATA PRACTICES ADVISORY**

We are required to provide the following information to you. Under Minnesota law, your name and home address are public information, which must be provided to anyone who requests it. If appointed to a board or commission, the following information will also be public: education and training background, previous work experience, work location, a work telephone number, and any expense reimbursement. The other information requested below is classified as private. This information will be used by the city council in determining whether you should be appointed to a board or commission. Therefore, all of the information will be provided to the city council in a public forum and will be reviewed in public. Failure to provide the requested information may result in your not being considered for an appointment. If you have concerns about providing any of the requested information, please contact Kathy Magrew (952.939.8218).

**PERSONAL INFORMATION**

Name DeeAnn Bloom Ward 3rd

Address [REDACTED] MN 55391 Zip Code 55391

Phone (H) [REDACTED] (B) [REDACTED] (FAX) \_\_\_\_\_

E-mail [REDACTED]

How long have you been a resident of Minnetonka? 11 months

Are you or any of your family members presently employed by the city of Minnetonka or serving on any of the city's advisory boards?

Yes  No  If yes, explain: See employment information below

**EXPERIENCE AND EDUCATION**

Name of Employer: City of Minnetonka - Police Dept

Occupation: Community Service Officer

Education: AAS degree in Veterinary Technology

Community Service/Activities: \_\_\_\_\_

Please list major responsibilities that you have had or currently have in a community project or organization or in your occupation:

Please see the attached

Civic/Professional Organization Memberships:

Minnesota Animal Control - board member — Minnesota Animal Disaster Coalition — Minnetonka Police Association — Employees In Action Committee

**ADDITIONAL INFORMATION**

Please indicate why you are interested in being appointed to an advisory board, and why you feel you are qualified to serve on the advisory board(s) previously indicated.

I have a good knowledge of many aspects of American History as well as a deep love of history and all things historical.

What do you believe you could contribute if appointed to an advisory board?

A willingness to discover, protect and preserve the parts of Minnetonka that had/have a historical significance and a tie to its past.

How do you believe you would benefit if appointed to a board or commission?

I believe it would add to my knowledge of midwest history by showing me what happened in the city I live in.

I am **NOT available** for board or commission meetings on the following evenings (circle):

Monday Tuesday Wednesday Thursday Friday

1st Monday of the month

**CONFLICT OF INTEREST**

Conflict of interest may arise by the participation in any activity, recommended action, or decision from which you receive or could potentially receive direct or indirect personal financial gain. In accordance with this definition, do you have any legal or equitable interest in any business, however organized, which in the course of your participation in a city advisory board, could give rise to a conflict of interest?

Yes \_\_\_ No  If yes, please provide details on a separate sheet of paper.

Do you own any real property located in Minnetonka, other than your residence, in which you have a legal or equitable interest which, in the course of your participation in a city advisory board, could give rise to a conflict of interest?

Yes \_\_\_ No  If yes, please provide details on a separate sheet of paper.

As a board or commission member, what issue(s) might cause conflict between civic responsibility and personal/professional interests?

I work as a Community Service officer and a Veterinary Technician, I can not foresee a conflict.

You may attach a resume if you desire. The selection process will vary according to the number of applicants and vacancies, and may not include interviews with all candidates.

Thank you for your interest in serving on an advisory board for the city of Minnetonka.

Date: 1/7/06

Debra L. Bloom  
Signature

**Please list major responsibilities that you have had or currently have in a community project or organization or in your occupation:**

**MACA (Minnesota Animal Control Association)**

- As a board member of MACA, I have decided on topics for training seminars as well as scheduling and hiring the instructors.

**MNADC (Minnesota Animal Disaster Coalition)**

- I was on the committee that wrote an animal annex to the State Emergency Plan
- I was on the committee that wrote a template for local animal emergency plans that has been used by Chicago as well as cities and counties across Minnesota.
- I am one of several “State Animal Coordinators” that have been activated to work at the State Emergency Operations Center in the event of an emergency.
- I was one of two people from the MNADC to respond to Camp Ripley and set up an animal shelter for survivors of Hurricane Katrina. The survivors never arrived, but the shelter was in place and ready for operation within 36 hours.

**Minnetonka Police Association**

- As a former board member I assisted in organizing social occasions as well as retirement parties and fundraising.

**Minnetonka EIA Committee (City Employees in Action)**

- As the co-chairperson for the committee, I am responsible for setting up and running the meetings.
- I also assist in organizing events such as our City Picnic, the Holiday Buffet and the Employee Recognition Luncheon.

**Community Service Officer (Minnetonka Police Dept)**

- My primary duties include responding to all animal calls in Minnetonka. I deal with dogs running loose, barking dogs and animal bite calls. I also respond to calls regarding sick and/or injured wildlife.
- I inspect all veterinary hospitals and commercial kennels on a yearly basis.
- I am responsible for all paperwork regarding veterinary hospital permits, commercial kennel permits, multiple animal location permits, potentially dangerous dogs, dangerous dogs and the deer program.

**Certified Veterinary Technician (Glen Lake Animal Hosp.--part-time)**

- I assist the doctors when needed by restraining animals, giving shots and doing minor procedures.
- I run lab work, take x-rays and assist in surgical procedures.



Please return application to:  
**Karen Telega**  
**Administrative Assistant**  
City of Minnetonka  
14600 Minnetonka Boulevard  
Minnetonka, MN 55345  
952.939.8211 - Phone  
952.939.8244 - Fax

### BOARDS & COMMISSIONS APPLICATION

Please indicate by order which of the following you are interested in (1,2,3, etc.):

*Received 1/12/06  
Entered*

- |  |  |
|--|--|
| <u>1</u> Planning Commission                       | <input type="checkbox"/> Park Board                    |
| <u>3</u> Economic Development Authority            | <u>2</u> Community Heritage Commission                 |
| <input type="checkbox"/> Charter Commission        | <u>4</u> Lake Minnetonka Conservation District         |
| <input type="checkbox"/> Police Advisory Committee | <input type="checkbox"/> Senior Citizen Advisory Board |
| <input type="checkbox"/> Ad Hoc Task Force         |  |

We welcome you as an applicant for one of the city's commissions, boards or ad hoc task forces. Residents of Minnetonka are eligible for nomination to any of the city's advisory boards as established by the city council. Please complete the following information, and attach extra sheets if necessary.

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#### DATA PRACTICES ADVISORY

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#### PERSONAL INFORMATION

Name Jenna Tollefsrud Burtind Ward 2

Address [REDACTED] Zip Code 55305

Phone (H) [REDACTED] (B) \_\_\_\_\_ (FAX) \_\_\_\_\_

E-mail [REDACTED]

How long have you been a resident of Minnetonka? 21 months

Are you or any of your family members presently employed by the city of Minnetonka or serving on any of the city's advisory boards?

Yes  No  If yes, explain: \_\_\_\_\_

**EXPERIENCE AND EDUCATION**

Name of Employer: Kelly & Berens P.A.

Occupation: Attorney

Education: Juris Doctorate, University of Minnesota

Community Service/Activities: Volunteer with Volunteer Lawyers Network,

Volunteer Judge with The Minnesota High School Mock Trial Program.

Please list major responsibilities that you have had or currently have in a community project or organization or in your occupation:

Review laws and apply the laws to the facts of the case;  
draft a variety of legal documents; meet with clients  
and opposing counsel to resolve issues, interpret laws.

Civic/Professional Organization Memberships:

Hennepin County Bar Association; Minnesota State Bar  
Association; American Bar Association.

**ADDITIONAL INFORMATION**

Please indicate why you are interested in being appointed to an advisory board, and why you feel you are qualified to serve on the advisory board(s) previously indicated.

Please see Attachment

What do you believe you could contribute if appointed to an advisory board?

Please see Attachment

How do you believe you would benefit if appointed to a board or commission?

Please see Attachment

I am **NOT available** for board or commission meetings on the following evenings (circle):

Monday    Tuesday    Wednesday    Thursday    Friday

**CONFLICT OF INTEREST**

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Yes  No  If yes, please provide details on a separate sheet of paper.

Do you own any real property located in Minnetonka, other than your residence, in which you have a legal or equitable interest which, in the course of your participation in a city advisory board, could give rise to a conflict of interest?

Yes  No  If yes, please provide details on a separate sheet of paper.

As a board or commission member, what issue(s) might cause conflict between civic responsibility and personal/professional interests?

\_\_\_\_\_  
\_\_\_\_\_

You may attach a resume if you desire. The selection process will vary according to the number of applicants and vacancies, and may not include interviews with all candidates.

*Thank you* for your interest in serving on an advisory board for the city of Minnetonka.

Date: 1/11/06

*Anna Buford*  
Signature

**ADDITIONAL INFORMATION**

**Please indicate why you are interested in being appointed to an advisory board, and why you feel you are qualified to serve on the advisory board(s) previously indicated.**

I have always had an interest in serving the community, and I feel it is important to be involved in the community in which you live in. I take pride in being a resident of Minnetonka and by serving on a board I feel I can help Minnetonka be a better community for its residents.

Practicing law is similar to sitting on an advisory board as attorneys are frequently called upon to make decisions with the client's best interest in mind. In addition, I am frequently called upon to review the laws and give my client an opinion on how the law affects our case. Furthermore, with my legal training, I can analyze statutes and ordinances, and interpret them in a way that may be helpful to others who do not have a legal background. I also realize, however, that different interpretations of a rule are important to understanding the rule's purpose.

**What do you believe you could contribute if appointed to an advisory board?**

I am a very organized, professional and reliable individual, which I believe is important when serving the public. I have an analytical mind, which would be helpful when making decisions that would affect Minnetonka residents. I also feel it is important when making decisions, to look at all possible outcomes before reaching a conclusion.

**How do you believe you would benefit if appointed to a board or commission?**

I would gain experience by working with a variety of individuals from a variety of backgrounds. I would benefit from the fact that I would be able to learn what is going on in Minnetonka, which is of great personal interest. Sometimes I think that I am the only person that watches the cable access channels that broadcast the planning commission's hearings. I actually enjoy learning about new developments and changes to the city.

Confidential Resume:

**Jenna Tollefsrud Burfeind**

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**Qualifications**

Analytical attorney with an interest in litigation. Solid background in civil litigation. Excellent research, writing and verbal skills. Adapts quickly to new environments and thrives on multiple tasks. Motivated self starter experienced in case management, case development/preparation, litigation, and case analysis.

**Experience**

Attorney. August 2003 - present

Kelly & Berens P.A.

Draft documents associated with all stages of the legal process, from Answers and Complaints to pretrial briefs and accompanying documents. Assist at hearings and trials in state and federal courts. Meet with clients. Negotiate and draft settlement agreements.

Law Clerk. May 2001 - June 2003

Kelly & Berens P.A.

Completed legal research for attorneys and prepared memoranda pertaining to the legal research. Cite checked and proof read briefs for the court. Reviewed and prepared documents for depositions and trial. Drafted deposition summaries and chronologies.

Messenger. March 1999 - August 2000

Kelly & Berens P.A.

Prepared documents for trial and depositions. Delivered and picked up legal documents. Performed a variety of paralegal work for attorneys.

**Education**

University of Minnesota Law School

Juris Doctor, 2003

Dean's list August 2001 - May 2003

University of Minnesota

Bachelor of Arts degree in Sociology of Law, *Cum Laude*, 2000

**Professional Associations & Activities**

Volunteer Lawyers Network, Member 2005

Volunteer Judge for the Minnesota High School Mock Trial program, January 2005

University of Minnesota Law School clinic program

Intern at Southern Minnesota Regional Legal Services in Prior Lake

January 2003 - May 2003

University of Minnesota Law School clerkship program

Clerk for the Honorable Judge Alexander of Hennepin County

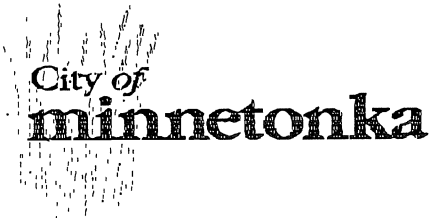
January 2002 - May 2002

Volunteered at the Indian Child Welfare Law Center

September 2000 - December 2000

Minnesota State Bar Association, October 2003 - present

American Bar Association, September 2004 - present



Please return application to:  
**Karen Telega**  
**Administrative Assistant**  
 City of Minnetonka  
 14600 Minnetonka Boulevard  
 Minnetonka, MN 55345  
 952.939.8211 - Phone  
 952.939.8244 - Fax

**BOARDS & COMMISSIONS APPLICATION**

*Received 1/12/06  
 entered*

Please indicate by order which of the following you are interested in (1,2,3, etc.):

- Planning Commission
- Economic Development Authority
- Charter Commission
- Police Advisory Committee
- Ad Hoc Task Force
- Park Board
- Community Heritage Commission
- Lake Minnetonka Conservation District
- Senior Citizen Advisory Board

We welcome you as an applicant for one of the city's commissions, boards or ad hoc task forces. Residents of Minnetonka are eligible for nomination to any of the city's advisory boards as established by the city council. Please complete the following information, and attach extra sheets if necessary.

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**PERSONAL INFORMATION**

Name Fred Clark Ward 4

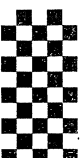
Address [REDACTED] Zip Code 55345

Phone (H) [REDACTED] (B) [REDACTED] (FAX) [REDACTED]

E-mail [REDACTED]

How long have you been a resident of Minnetonka? since 1986

Are you or any of your family members presently employed by the city of Minnetonka or serving on any of



the city's advisory boards?

Yes  No  If yes, explain: \_\_\_\_\_

**EXPERIENCE AND EDUCATION**

Name of Employer: Berkley Risk Administrators Company, LLC

Occupation: Program Claim Manager

Education: B.A., Western Kentucky University, 1978; MBA, University of St. Thomas, 1982

Community Service/Activities: Sunday School teacher, Minnetonka United Methodist Church, 1993 – 2002; Messiah United Methodist Church [Plymouth] 2004 – present; Election judge, Minnetonka, 2001 – present; Teach tennis to Girl Scouts, 1992 – 1996; various boards and committees, Minnetonka United Methodist Church, 1989 – present; U. S. Census Enumerator, 2000

Please list major responsibilities that you have had or currently have in a community project or organization or in your occupation:

None

Civic/Professional Organization Memberships:

None

**ADDITIONAL INFORMATION**

Please indicate why you are interested in being appointed to an advisory board, and why you feel you are qualified to serve on the advisory board(s) previously indicated.

Minnetonka will be served if its history is preserved and available to the citizens. I find history interesting, and I enjoy looking at maps, historical records, photos, and other historical documents. As Minnetonka is now past 50 years old, it will become more important than ever to preserve its history. I believe my work experience and education have prepared me to serve the City on this board.

What do you believe you could contribute if appointed to an advisory board?

Like many in my generation, I'm becoming more interested in serving, and I'd like to apply my talents and time to serving the goals set by the board. I wasn't born in Minnesota, but I've lived here for a long time. Not being a native gives me an awareness of historical events that is perhaps different than natives who could potentially take history for granted.

How do you believe you would benefit if appointed to a board or commission?

I expect to meet good folks, to learn more about Minnetonka, and to contribute to the City's historical legacy.

I am **NOT available** for board or commission meetings on the following evenings (circle):

Monday      Tuesday      Wednesday      Thursday      Friday

**CONFLICT OF INTEREST**

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Yes \_\_\_ No X If yes, please provide details on a separate sheet of paper.

Do you own any real property located in Minnetonka, other than your residence, in which you have a legal or equitable interest which, in the course of your participation in a city advisory board, could give rise to a conflict of interest?

Yes \_\_\_ No X If yes, please provide details on a separate sheet of paper.

As a board or commission member, what issue(s) might cause conflict between civic responsibility and personal/professional interests?

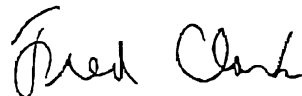
I occasionally travel out of town for my employer's business. I have some flexibility when scheduling that travel, but it's possible I might miss meetings while out of town. I expect this will be rare, but it is possible.

You may attach a resume if you desire. The selection process will vary according to the number of applicants and vacancies, and may not include interviews with all candidates.

I will provide a resume if requested.

*Thank you for your interest in serving on an advisory board for the city of Minnetonka.*

Date: January 7, 2006



Signature

# Community Heritage Commission

## Current Members

This commission serves as an advisor on matters related to the preservation of Minnetonka's historic structures, records, maps, photographs, and artifacts. The community heritage commission also serves as the lead agency with respect to the Burwell site and as a liaison with the Minnetonka Historical Society. This commission is comprised of seven to nine members. One of the members must be a member of the Minnetonka Historical Society. Preference will be given to people with demonstrated interest in historic preservation. Commission members serve two-year terms and meet on a schedule established each year.

---

<b>Name:</b> DeeAnn Bloom	<b>Ward:</b> 3	<b>Appointed:</b> 02/27/2006	<b>Term Expires:</b> 01/31/2008
<b>Address:</b> 17424 Sanctuary Dr. Minnetonka MN 55391	<b>Comments:</b>	<b>Reappointed:</b>	<b>Reappointed:</b>
<hr/>			
<b>Name:</b> Jenna Burfeind	<b>Ward:</b> 2	<b>Appointed:</b> 02/27/2006	<b>Term Expires:</b> 01/31/2008
<b>Address:</b> 11500 Oberlin Rd. Minnetonka MN 55305	<b>Comments:</b>	<b>Reappointed:</b>	<b>Reappointed:</b>
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<b>Name:</b> Fred Clark	<b>Ward:</b> 4	<b>Appointed:</b> 02/27/2006	<b>Term Expires:</b> 01/31/2008
<b>Address:</b> 5727 High Park Dr. Minnetonka MN 55345	<b>Comments:</b>	<b>Reappointed:</b>	<b>Reappointed:</b>
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<b>Name:</b> Joan George	<b>Ward:</b> 4	<b>Appointed:</b> 08/30/1999	<b>Term Expires:</b> 01/31/2008
<b>Address:</b> 15245 Lynn Terrace Minnetonka MN 55345	<b>Comments:</b> Vice Chair	<b>Reappointed:</b> 10/27/2003	<b>Reappointed:</b> 01/23/2006
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<b>Name:</b> David Hakensen	<b>Ward:</b> 1	<b>Appointed:</b> 11/08/2004	<b>Term Expires:</b> 01/31/2007
<b>Address:</b> 3626 Baker Road Minnetonka MN 55305	<b>Comments:</b>	<b>Reappointed:</b>	<b>Reappointed:</b>
<hr/>			
<b>Name:</b> Dewey Hassig	<b>Ward:</b> 1	<b>Appointed:</b> 10/27/2003	<b>Term Expires:</b> 01/31/2007
<b>Address:</b> 5342 Mayview Rd. Minnetonka MN 55345	<b>Comments:</b>	<b>Reappointed:</b> 01/03/2005	<b>Reappointed:</b>
<hr/>			
<b>Name:</b> Betty Johnson	<b>Ward:</b> 2	<b>Appointed:</b> 02/12/2001	<b>Term Expires:</b> 01/31/2007
<b>Address:</b> 12814 March Circle Minnetonka MN 55305	<b>Comments:</b>	<b>Reappointed:</b> 01/03/2005	<b>Reappointed:</b>
<hr/>			
<b>Name:</b> David Olson	<b>Ward:</b> 3	<b>Appointed:</b> 12/15/2003	<b>Term Expires:</b> 01/31/2007
<b>Address:</b> 3817 Williston Road Minnetonka MN 55345	<b>Comments:</b>	<b>Reappointed:</b> 01/03/2005	<b>Reappointed:</b>
<hr/>			
<b>Name:</b> Joseph Van Sloun	<b>Ward:</b> 3	<b>Appointed:</b> 02/12/2001	<b>Term Expires:</b> 01/31/2007
<b>Address:</b> 3527 Jidana Lane Minnetonka MN 55345	<b>Comments:</b> Chair	<b>Reappointed:</b> 01/03/2005	<b>Reappointed:</b>

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**Other Commission Members:** Kathy Magrew - City of Minnetonka Staff Liaison Ph # 939-8218  
Laura Ronbeck - City of Minnetonka Staff Liaison Ph # 939-8219