

**STAFF SUMMARY  
CITY OF MINNETONKA  
SPECIAL JOINT MEETING  
HOPKINS CITY COUNCIL AND MINNETONKA CITY COUNCIL  
TUESDAY, DECEMBER 12, 2006  
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Council Present: Minnetonka: Council Members Bob Ellingson, Terry Schneider, Al Thomas, Tony Wagner, and Brad Wiersum.

Hopkins: Mayor Gene Maxwell, Hopkins Council Members Kristi Halverson, Bruce Rowan, Jay Thompson and Cheryl Youakim (arrived 6:50 p.m.)

Staff Present: Minnetonka: John Gunyou, GERALYN Barone, Ron Rankin, Lee Gustafson, Julie Wischnack.

Hopkins: Rick Getschow, Jim Kerrigan, Steve Stadler, Kersten Elverum.

Others: Mark Koegler of Hoisington-Koegler, Jim McComb of McComb Group, Craig Twinem of Hennepin County Transportation Department, Hennepin County Commissioner Linda Koblick (arrived 6:40 p.m.), Minnetonka EDA President Peter St. Peter, EDA Members Dan Duffy, Dave Larson, Bunny Robinson and Bob Walker and EDA Student Representative Liz Bayer. Others: Ed Ring, Gary Johnson.

**1. Joint discussion on the Shady Oak Road Redevelopment Plan – detailed redevelopment concepts.**

Gunyou explained the funding cut by Hennepin County and announced Phil Eckert will replace Larry Blackstad at Hennepin County Community Works. He stated the economic development planning should be wrapped up at the end of January, and a joint council meeting will be scheduled following that. He said the numbers should be ready at that time for Hennepin County budget planning. He added Hennepin County is committed to funding the road construction, although there is no capacity for early takings. He assumes funding will be available in next year's county budget, but if not there will be a long-term hole.

In response to a question from Maxwell, Gunyou stated he did not think there was a chance the road will be reduced to three lanes. Twinem stated the roadway and a portion of the acquisitions are funded. Gustafson stated that if community works money is never replaced, cities may have to fund the remainder. Funding availability should be known in 9-12 months. Thomas suggested discussing any contribution from the cities at a later time.

Maxwell stated Hopkins has a larger portion of acquisitions, so the city will have to consider the project carefully. Maxwell asked if the road layout is set as planned. Gunyou replied "yes." Getschow stated that the time line is shorter now, but the project will get done. He noted \$9 million of community works

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funding was lost.

Thompson stated he supported the project based on County funding support and asked how long it would be before receiving information from the County. St. Peter asked how much roadway construction was embedded in the County's funding. Gunyou replied those numbers should be available in a month. Koegler stated a product both cities can use will be ready by the end of January, but it won't be as detailed as design guidelines.

Schneider suggested extending the time line to obtain sufficient details. Duffy asked about other options. Maxwell asked about state or Met Council funding options. Gunyou and Maxwell commented that constructing the road project without redevelopment may not make sense. Robinson asked what county projects were being done in place of this one.

Getshow said an abbreviated redevelopment study was planned to be presented to the County. Based on comments already made, he observed there could be a problem if the cities have to contribute financially to the project. The breaking point is not known yet. Gustafson stated there is time to determine this. Schneider concurred with Thompson regarding the challenges of funding the roadway without redevelopment and suggested the time line should be extended. Wiersum concurred.

Koegler began his presentation by introducing McComb, who he said will give an overview of the market condition. Koegler explained that the planned station stops are ½ mile from the roadway project, which provides an opportunity for the site. He said his plan has two components: areas most impacted (most takings) and areas for long-term planning. The community works funds would be most useful to acquire the VFW, which would open up the most opportunity for redevelopment.

McComb, in his overview, stated that many of the businesses are convenience and service types patronized by locals and those who drive by on Shady Oak Road. The destination businesses are the bowling alley, VFW, appliance and ammunition shops. He said taking 60 feet from the shopping strip doesn't leave room to do anything creative. The convenience-type businesses will lose customers if they relocate. The northwest quadrant appears to be a good relocation site for the convenience businesses. He said in the last five to six years, office condos have taken off below the radar; the use is very diverse and parking demand is low. Users prefer amenities in the back, and there is wetland behind this area (west) that would fill this requirement.

McComb envisioned office or residential to the northeast and residential or other to the southeast. Replying to Mayor Maxwell, McComb stated there is a long-

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term market for office condos, both rental and owner-occupied. Schneider asked about conflicts with Mainstreet businesses; McComb stated this area is not related to the downtown. Regarding housing, he said demand would be there if it was built. St. Peter asked how light rail would impact the area. McComb said it was independent, that it's more about what doesn't happen near station stops. It becomes a bonus for retail, but doesn't change it. Coffee stores, for instance, don't succeed. He stated the northwest quadrant would be the first phase to relocate strip shops. Mayor Maxwell asked about the reaction from homeowners to the south. McComb said he anticipates a new building, which would be a plus for them, and otherwise they are somewhat removed so there would not be much impact.

Koegler presented three land use concepts, with varying densities and residential/mixed/commercial ratios. He defined terms: medium density is 9-13 units; high density is three stories (maybe mixed use) and refers to building form; mixed use, i.e., Excelsior & Grand; office is office condos (can take residential feel); and retail is mixed use or separate one-story (because of parking restrictions). He stated his concepts were based on discussions with the staffs of the cities and the EDA and on current zoning.

Koegler then elaborated on four redevelopment concepts. Following are notes on each:

Concept 1: in-kind replacement; suburban pattern; VFW would be impediment--purposely did not add circulation behind. Shady Oak will not be a pedestrian street, even though it will be improved with sidewalks, etc.

Concept 2: attempts urban street presence-built up to street; mixed use; more office; northwest quadrant housing would be affected by transit station.

Concept 3: interjects housing in Shady Oak commercial area.

Concept 4: maximizes development by structured parking; attracts larger retail; parking ramp could have lower level; architectural elements could be coordinated in all buildings; parity in buildings flanking parking ramp so ramp isn't dominant.

Koegler also showed elevations on the concepts. He stated the plan is to take the options to the public for feedback, assemble that with other sources and comments and present a recommendation in the end of January.

St. Peter questioned the drainage and water table problems on the property across from the pond. Gustafson stated the property will be brought up with the round-about, which will solve the problem.

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Thompson commented that Concept 4 may conflict with Mainstreet. McComb stated he feels the parking ramp is not feasible economically for the tenants; however, what would go there would be so small-space that it wouldn't threaten the downtown.

Schneider stated the options presented to the public should all be options the two councils can be comfortable with. He had reservations about Concept 4 with a lot of commercial and a ramp on the west side, and he also agreed that it is not economically feasible.

Youakim stated she favors residential and office, not retail, near the transit station.

Ellingson mentioned considering entertainment, citing the two major entertainment businesses in the area (VFW and bowling). McComb stated that adding entertainment compounds the parking problem.

Ellingson asked whether the VFW was designated for acquisition. Koegler responded affirmatively, noting the funding sources as community works money. Twinem concurred.

Mayor Maxwell asked for a show of hands to remove Option 4 from consideration. Several persons raised their hands. Duffy stated he would like to see it revised without the ramp and maximizing the residential use. Mayor Maxwell removed the board illustrating Option 4 from the display. Koegler stated that he could include more mixed use in Concept 3 before bringing it to the public. Gunyou asked Koegler to include in his report the implications for the area without community works money.

Youakim asked if the road could be straightened where it meets Mainstreet to create more visual appeal; neighbors expressed this idea to also avoid unintentional traffic.

Mayor Maxwell asked about a late January meeting. Getschow stated it would be similar to this meeting with a wrap-up process and coordination of a message to the County.

Larson asked if there was enough green space. Koegler stated he can get good aesthetics along the street, but can't get a lot more green space. However, it will be better than it is now.

**2. Adjournment.**

Mayor Maxwell adjourned the joint meeting at 8:15 p.m.

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Respectfully submitted,

Shannon Smith  
City of Hopkins