

**MINUTES
MINNETONKA CITY COUNCIL
REGULAR MEETING, MONDAY, AUGUST 3, 2009**

1. CALL TO ORDER.

Mayor Schneider called the meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE.

All joined in the Pledge of Allegiance.

3. ROLL CALL

Councilmembers Tony Wagner, James Hiller, Amber Greves, Bob Ellingson, and Terry Schneider were present. Dick Allendorf and Brad Wiersum were excused.

4. APPROVAL OF AGENDA

City Manager John Gunyou noted addenda to items 10G and 14A.

Greves moved, Wagner seconded a motion to accept the agenda with the addenda. All voted "yes." Motion carried.

5. APPROVAL OF MINUTES: July 13, 2009 regular meeting

Wagner moved, Greves seconded a motion to approve the minutes of the July 13, 2009 Minnetonka City Council regular meeting with Wagner's corrections. All voted "yes." Motion carried.

6. SPECIAL MATTERS:

A. Citizen lifesaving award

Schneider read the recognition and presented a plaque to Duane Olmsted.

B. Presentation by Hennepin County Attorney Mike Freeman

Freeman gave a presentation about community prosecution, his office's mortgage fraud efforts, truancy prevention, and crime in the city.

Schneider asked if budget cutbacks would impact the county attorney office's ability to continue to provide its services. Freeman said he was concerned about budget cutbacks. He said when he first left the office in November 1998, there were 165.45 lawyers on staff. The office has exactly the same number today. There has been an increase in the number of support staff.

Greves thanked Freeman for the attention to truancy prevention. She said she serves on problem solving teams as part of her job with the local schools and a lot of times truancy is the issue. The perception is that truancy is not a problem in the western suburbs, a misperception she said is glaringly apparent as she has written grant applications that get denied because people think the district already has the resources.

7. REPORTS FROM CITY MANAGER & COUNCIL MEMBERS

Gunyou reported on the schedule for upcoming council meetings.

Greves reminded people about Night for Neighbors on August 4. She said she stopped at the police department to pick up information for her neighborhood party and was told that the city has about 150 participating neighborhoods. She noted ICA was conducting a food drive as part of the night's events.

Greves also reported she attended the second of four meetings for the Metro Cities Policy Committee on Housing and Economic Development. The committee has affirmed for her why the city gets involved in housing and how housing is not just a private sector issue. She said at the meeting Bob Streeter gave a presentation about the challenges cities currently face with redevelopment including what changes are needed and what tools cities lack. Streeter's presentation included the idea of redefining redevelopment from the current idea based on remedying blight to more of an emphasis on public purpose and what cities need to do to achieve their broader community planning goals.

Wagner said the Southwest Transitway Policy Committee met the previous Wednesday. The committee is looking at the results of the locally preferred alternative. Ridership numbers are still pending but he said he was pleased to hear the city's comprehensive plan revisions focusing on the Ridgedale and Opus areas have been included in the ridership numbers. The results will be coming out in August and the committee's public hearing in Minnetonka will be on August 13.

8. CITIZENS WISHING TO DISCUSS MATTERS NOT ON THE AGENDA

No one appeared.

9. BIDS AND PURCHASES:

A. Bids for TH 7 North Frontage Road

Gunyou gave the staff report.

Schneider asked when the project would begin. City Engineer Lee Gustafson said construction likely would begin the week of August 17.

Wagner moved, Hiller seconded a motion to award the bid for the TH 7 North Frontage Road improvements to S.M. Hentges & Sons, Inc. in the amount of \$633,003.87. All voted "yes." Motion carried.

B. Quotes for City Hall/Community Center standby generator

Gunyou gave the staff report.

Hiller moved, Greves seconded a motion to award the purchase of the standby generator to Ziegler Power Systems. All voted "yes." Motion carried.

10. CONSENT AGENDA (Items Requiring a Majority Vote):

A. Claims for council authorization – July 27, 2009

Wagner moved, Greves seconded a motion to approve the July 27, 2009 claims which includes checks numbered 221182 through 221451, totaling \$2,229,126.57. All voted "yes." Motion carried.

B. Resolution approving the special law for extension of the Glenhaven TIF district

Hiller asked for the item to be pulled from the consent agenda. He noted that currently tax dollars would be put toward the TIF pool for twelve years. The resolution would extend the period of time by another seven years. He said his understanding was the money would continue to go into the pool until the TIF budget amount was met. After that time the TIF would either end or flow back into the EDA funds. Gunyou said the extension would not change the existing development agreements. The TIF funds would continue to flow as they have been approved previously by the council. The extension would provide another seven years of TIF generation into the same agreements.

Hiller asked what benefits the extension would provide to taxpayers. Gunyou explained when the district was originally formed, the city had the option of having a shorter term district or a longer lasting district. The city chose the conservative approach of taking the shorter term district. With the economic slowdown and delay in development in the area, the shorter life of the district would not generate as much money as originally anticipated. The city went to the legislature to ask for the ability to extend the district to its legal limit that the city would have been entitled to when the district was originally formed. The legislature enacted enabling legislation granting the right to the extension with the approval of the city council, the school district, and Hennepin County. If approved, there would

be more funds available to pay back the costs that have already been incurred by the developer and the city.

Hiller asked if there are additional things that could be done in the area with the additional TIF funds. He noted that when the council approved the alternate agreement for senior housing he asked the city's TIF consultants if the agreement was acceptable even if the extension was not granted. He was told by the consultants that the agreement was acceptable without the extension. He was surprised by the answer because he does not see the affordability of the district at this point. He said he asked staff if the city would receive all its resources and was told everything would be paid. He asked if the extension was necessary or if something had changed. Schneider said his understanding of Hiller's question to the consultants was that the city would not get reimbursed for the costs that were originally anticipated.

Community Development Director Julie Wischnack said if there was no senior housing project, there would be around \$1.7 million in TIF coming in for the entire redevelopment. This would mean Kinsel would have to be built around 2012 or 2013. With the extension there would be around \$3.9 million in TIF. The original agreement said there would be \$4.1 million in TIF. She said the amount depends on what scenario occurs and she doesn't believe there would be extra TIF with or without the extension so there would be no additional expenditures other than what has been contractually agreed to.

Hiller asked if there was an analysis available showing there would be possible additional moneys available for the fund that would allow the TIF funds to be used to get something the community wants. He asked if the extension needed to be approved at this meeting or if the city could take time to take advantage of possible additional money that would benefit the city. Why not delay the decision until there was an actual project in place? City Attorney Desyl Peterson noted there was a deadline to approve the special legislation before the next legislature convenes. Hiller said that changed his thinking about the issue. He said the city needs to take advantage of the available funds. There is a lot needed in the area and the city should focus on what it wants. Wischnack said part of the efforts to monitor TIF and do an annual report for the EDA and council was to provide information about whether the district was making any money and if it was on target. This would be a good way to monitor if there are extra dollars in the fund for other projects.

Schneider said the city was contractually obligated to take the additional TIF that is generated to meet the original TIF criteria. The city cannot renegotiate the TIF just because it was granted an extension. He said this does not mean the city could not take potential future TIF in excess of the

requirements and re-designate it for uses the council feels is important that are outside the original agreement. The TIF projections are based on no inflation which is a conservative way to do the projections. He said there likely would be some inflation and at some point in the process the city would recognize extra dollars available toward the end of the TIF when the obligations are paid off. The council would have discretion of whether to decertify the district and not use the money or to take the projected money and put it toward a qualifying project within the TIF area. Wischnack said that was what was being done for Beacon Hill. The council would see a plan to use excess TIF money for a different purpose since all the contract obligations have been met and the developer has been paid. Schneider said without the extension the city would have no ability to do that.

Hiller said his point was that today the project is being done and the city may want to change the current set of project rules. He agreed once the project is finished the city could decide to use the additional funds. The question is whether the city would want to do something up front through negotiations. Given the time frame, this might not be feasible. Peterson reminded the council there is a priority in terms of pay out. The city has the third priority in terms of getting money back for the Alano relocation. She said it has always been questionable whether the city would ultimately get that money back.

Wagner agreed and said the city had not planned on getting that money back since the economy has declined and the projects have been delayed. He said it would be great to do more but he was glad the city was able to get the extension.

Ellingson said the extension was a good idea because of the uncertainty in the real estate market and the delays that have been experienced in the project. Initially he voted against the redevelopment project but he thought it was a good idea to go with 25 years for the redevelopment district. Based on the city's experience additional time is needed to capture the tax increment. He said he understood that the apartment building was 100 percent occupied and the Gold Nugget restaurant is doing well. People in the neighborhood are happy with the shopping center. The issue is with the other residential parts of the project that have not happened.

Wagner moved, Ellingson seconded a motion to adopt Resolution No. 2009-059 approving the special law adopted in Minnesota Laws 2009, Chapter 88, Article 5, Section 15 regarding extension of the Glenhaven TIF district. All voted "yes." Motion carried.

C. Ordinance amending the regulations governing swimming pools and food and lodging establishments

Wagner moved, Greves seconded a motion to adopt Ordinance No. 2009-10 amending the regulations governing swimming pools and food and lodging establishments. All voted "yes." Motion carried.

D. Resolution approving cooperative agreement with Hennepin County for the CSAH 73 / I-394 south frontage road improvements project

Wagner moved, Greves seconded a motion to adopt Resolution No. 2009-060 approving the Hennepin County cooperative agreement for this project. All voted "yes." Motion carried.

E. Resolution and memorandum of understanding for the water resources management plan

Wagner moved, Greves seconded a motion to:

- 1) Adopt Resolution No. 2009-061 approving the Water Resources Management Plan.
- 2) Authorize the Mayor and City Manager to execute a Memorandum of Understanding between the City of Minnetonka and the Minnehaha Creek Watershed District.

All voted "yes." Motion carried.

F. Resolutions pertaining to levying the 2009 Special Assessments

Wagner moved, Greves seconded a motion to adopt the following resolutions:

- 1) Resolution 2009-062 declaring costs for the CSAH 73/South Frontage Road Improvements project, ordering the preparation of special assessment rolls, and scheduling a public hearing.
- 2) Resolution 2009-063 declaring costs for the Alano Parking Lot and Landscaping Improvements project, ordering the preparation of special assessment rolls, and scheduling a public hearing.
- 3) Resolution 2009-064 declaring costs for nuisance abatement projects, ordering the preparation of special assessment rolls, and scheduling a public hearing.

All voted "yes." Motion carried.

G. Resolution establishing just compensation for Sherwood Forest easement

The item was postponed.

11. Items requiring Five Votes: None.

12. INTRODUCTION OF ORDINANCES:**A. Ordinance amending the nonconforming use section of the zoning code**

Peterson gave the staff report.

Greves asked Peterson to comment on the Department of Natural Resources' perspective on the amendment that was approved to the legislation. Peterson said the DNR was one of the groups opposing the amendment because a key part of their shoreland regulations was in the situation with two nonconforming lots next to each other. The department wanted to keep the lots together to prevent more development along lakeshores.

Hiller moved, Greves seconded a motion to introduce the ordinance and refer to the planning commission. All voted "yes." Motion carried.

B. Ordinance amending the zoning regulations regarding retail sales in residential districts

Peterson gave the staff report.

Hiller asked if any of the affected places asked to have sales more than once or twice a year. Peterson said no but she hasn't directly asked them. Hiller said it was a reasonable proposal but he would prefer to limit the sales to two or three times a year.

Greves said that the number of sales would more directly apply to parking and that she wasn't sure she was comfortable allowing an increase in the frequency. She said she was interested in hearing discussion about the necessity for the change.

Schneider said for educational, religious and public institutions that have the access and parking for the events the city does not keep track of the number of events because the events do not generate complaints. The basic principle for ordinances was to govern and regulate problems. He said in this case he doesn't see a problem that the city was trying to regulate and was therefore overreaching by limiting the number of events for these types of institutions. If there was a future problem the council could revisit the ordinance.

Wagner said by nature of their facilities institutional uses have parking lots. The ordinance was a result of complaints the city received. Originally he was not thrilled with the limit of two events because the ordinance was

complaint based. He suggested the planning commission consider exempting institutional uses.

Wagner moved, Greves seconded a motion to introduce the ordinance and refer to the planning commission. All voted "yes." Motion carried.

C. Ordinance amending the city code regarding background investigations

Peterson gave the staff report.

Greves moved, Hiller seconded a motion to introduce the ordinance. All voted "yes." Motion carried.

13. PUBLIC HEARINGS:

A. Use of the Community Investment Fund to finance the Minnehaha Creek Corridor Improvements

Assistant City Manager Geralyn Barone gave the staff report.

Wagner said the plan was reviewed and approved with recommendations at the last meeting. He noted what was before the council was approval of authorizing the use of up to a certain amount of funds from the CIF. He asked at what point the decision would be made on what to expend the approved funds on. Barone said that decision had been made as part of the capital improvements program. Approved items include things like the community play lot and a possible interpretive center. As the plans become more specific and costs identified, the items will be brought back to the council. Wagner noted that expenditure of funds typically come back through bid and purchases tied to an overall plan as the process proceeds. Barone confirmed that was correct.

Schneider opened the hearing at 7:30 p.m. No one spoke.

Schneider closed the hearing at 7:30 p.m.

Hiller asked if there would be an opportunity for council discussion about the butterfly garden before the project is bid out. Gunyou said a consultant was working on ideas that would be brought back to the council. Schneider noted the prior approval was contingent on the council reviewing revisions to that area. Another item that would be reviewed is having a suspension bridge as an option.

Wagner said the park was an excellent use of CIF funds demonstrating why previous councils had established the fund. He said the park was a

focal point of the city. He asked for a more detailed presentation of how the dollars would be broken down in general and how the project would be phased in.

Schneider said it appeared there has been a fair amount of discussion about the potential use of the state legacy funds approved by voters last November. He said included in the discussion is that some of the funds should be used in the metro area because residents are paying most of the taxes. He said this project would be an excellent candidate for those funds because all of the features it includes. The city needs to keep monitoring the process for the use of the state funds to reduce the strain on the CIF. Gunyou agreed and noted that the multi-agency cooperative resolution which the council approved at the last meeting would help qualify the city for such funds.

Hiller moved, Wagner seconded a motion to adopt Resolution No. 2009-065 approving the use of the Community Investment Fund. All voted "yes." Motion carried.

14. OTHER BUSINESS:

A. Concept plan for 5430 Dickson Road

City Planner Loren Gordon gave the staff report.

Blair Bury, 5430 Dickson Road, said he was available to answer questions.

Rick Sathre, Sathre-Berquist, Inc., said Bury approached him a couple years ago about the property. There was a neighborhood meeting about the property about a year and a half ago. He said he was a financial partner on the project with Bury and once they decided to buy the house to protect Bury's other parcel, the idea was to see if others in the neighborhood would be interested in assembling properties in order to do a larger development. He said there was not much interest in that idea.

Sathre noted there was an interesting mix of use in the neighborhood as well as a mix in the zoning. What was being proposed for the 1.37 acre parcel was 4.4 units per acre medium density use. The intent was for Bury and Sathre not to be the builder. He said eighteen neighbors attended a neighborhood meeting in May as well as two council members. What came out of the meeting were two concerns. The first was traffic on Stewart Lane. The other concern was the lack of strategic planning for the general area. He said the Dickson Road neighborhood should be allowed to be a buffer serving as a transitional use area. He said the planning commission wanted to see more creativity in the land plan and was

concerned about providing a way to walk through the neighborhood. The beauty of the site was that as one walks north up to Stewart Lane there would be the ability to go directly across the street into the Exchange Building's parking lot and sidewalk system.

Wagner said the city's zoning specifies one to four units per acre. He noted a five unit proposal would meet the ordinance but what was being proposed was a six unit project. Gordon said that was correct. Sathre asked if the current comprehensive plan would allow the same density. Gordon said the current comprehensive plan is for low density residential that would allow four units per acre. The current R-1 zoning would not allow for the attached units.

Wagner said the concept of holding a broader discussion about the future of Stewart Lane would be worthwhile. At this point he isn't necessarily intrigued in doing a single 1.4 acre site but he acknowledges the type of housing product being proposed is lacking in the city. Doing it on a lot by lot approach is something he wouldn't necessarily embrace for the area. He said there would be benefit at looking at different types of housing in the city especially near a village center and agreed there was some truth that Stewart Lane has more intensity than normal for an area next to R1 zoning. But he has heard the concerns from neighbors on Dickson Lane who point out the area was guided R1.

Greves said one thing that excited her was seeing a potential proposal for one level townhomes. She has heard from people that there is need for one level townhomes in the city. She said the southern end of the property with all the trees would require a significant amount of grading and fill and she was curious what the impact would be to that area and she would prefer not to see impact to the area. She said if something was done, she would like to see one level townhomes throughout rather than just two units. With a more creative design one level townhomes could be a better transitional use of the land considering the townhomes to the west of the property and the single family homes to the south. She said she would be interested to see if there was a way to do a design to minimize the access points to address the traffic concerns.

Hiller said his biggest concern was the past and current comprehensive plan say no to such a development. The transition area has issues including traffic and walking because the area has been isolated. If the neighborhood is to change the issues have to be addressed. Developing one piece of the property won't allow the big picture issues to be addressed and he was concerned with a patch work approach. He asked if anyone has considered the impact on Glen Lake on having more high density development. Gordon said the most recent study was the traffic study for Glen Lake two years ago that was updated for the St. Therese

project. Issues were identified at the intersection of Woodhill and Excelsior Boulevard. He said issues related to side streets would need further evaluation. Hiller asked about the impact to the water quality of the lake. Gordon said each watershed district has a management plan the city has to abide by. Development is reviewed in accordance to those plans. He said staff has not taken the planning up to the level in terms of a higher density build out then currently projected in the comprehensive plan.

Hiller said another issue was that at a January 2006 meeting on the Glen Lake project, residents were questioning if they wanted high density development on lakes at all. At the time the mayor stated a precedent was not being established. Hiller said once more lots are added along lake shore throughout the city the issue would become larger and the city would have to answer the question if it was going to allow high density development on lakes and the impact of such development.

Schneider said the area was a challenge. One thing that has to be looked at is if the project was truly high density the implications and ramifications could be drastic. He said what was being discussed in this particular concept is a low to medium density townhome owner occupied product. Three or four single family homes would have a similar footprint. He agreed alternatives need to be looked at. One idea would be to have the primary access off Stewart Lane with the townhouses angled similar to the property to the west eliminating the individual driveways off Dickson Road with a combined drive off Stewart Lane. At a minimum such an alternative should be laid out to determine how it would or would not work. He said the council has continued to discuss finding a place in the city that would accommodate smaller one level townhomes. This was one area that could lend itself to such housing but the question was how that would fit into the overall area. He said he was generally supportive of doing something more than single family homes on the sites but suggested the council likely would not approve regarding the area to medium density. If the council was shown how medium density product could be integrated into the area addressing some of the issues being discussed, that would provide a good framework for allowing the change incrementally without upsetting the overall principles. He said in the past the council adopted a ghost plat provision for other properties that could be used for this area. A ghost layout could show what the properties would eventually look like and how the development would integrate with the trail connections, pedestrian access, access to the lake, and things like entry preservation. He said the applicants would have a better chance for approval by demonstrating the one piece was not an anomaly but would fit into pattern that could be palatable to the council in the future.

Ellingson said he attended the neighborhood meeting and complimented Sathre on the way he handled the comments from the neighbors. He said

he asked Sathre if he had thought about the whole area and Sathre showed him a map that took Schneider's advice. The drawing showed around 32 twin homes. Ellingson said it might be helpful to use a process similar to what was used for the Minnetonka Mills area. When the council was considering what was to happen in the Glen Lake area, the planning process was not very good. After one of the two neighborhood meetings he said he asked the developer if he was going to change his plan based on the neighborhood comments. The answer was no. The approach was it was the developer's vision for Glen Lake. For this plan, more dialogue with the neighborhood would be helpful as well as looking at the area in a larger context. A lot of affordable single family houses have been eliminated in the Glen Lake area without getting back the owner occupied affordable housing that was promised.

Schneider said parts of the process used for the Minnetonka Mills area including expertly facilitated dialogue about long term options would have a lot of upside. He acknowledged this would put a burden on a developer that owns a small parcel.

Greves thanked staff for the modified review process. She said a lot was learned after the Hillside senior living project was discussed. As far as direction for Sathre, she said what she heard was a need for a conceptual process that would take a broader look at the area. Schneider agreed that was what he was hearing from the discussion as well. He said he continually hears from residents who indicate they believe the city has a hidden agenda to do something in an area. No hidden agenda exists but an area will continue to have pressure to redevelop. It would be helpful if the process allows for early input to help guide potential redevelopment. He said it was worthwhile if there is a facilitated process that keeps the dialogue open.

Greves asked staff if there was a mechanism to do a version of the process used for the Minnetonka Mills project. Wischnack said the intention was to look at each village center to establish the priorities. The process used for the Minnetonka Mills area would not be allowed for each area because of the budget needed. She said staff was thinking of doing a methodical and prioritized list of the village centers to have the council discuss the overall process funding.

Schneider said one approach would be to take a mini-version that would be much less staff or consultant intensive with a developer willing to do some of the planning.

Hiller agreed the new process was good. One concern was now that there were many more times for input residents were unsure what meetings

they needed to attend and were afraid of missing the most important meeting.

Sathre confirmed that he showed Ellingson a drawing that looked at all the single family homes on the southeast side of Stewart Lane. An overall development concept for all the parcels respecting the existing property lines was created. He said it would be much harder to do a redevelopment if properties are done one at a time. In response to the slope that Greves identified near the south end of the property, the current concept would have the southerly two twin homes have walkout basements. The twin homes likely would be one level. He said the northerly two buildings would probably be two stories because the Exchange Building is four stories and it would make sense to transition lower as you go south. He said he has considered a central driveway court but that was not being pursued because it would require more hard cover and be more disruptive in terms of tree loss.

Wischnack noted the neighborhood had been notified by post card of the meeting. Schneider indicated he didn't think it was the council's intent to have public feedback at this point in the process. He said residents have the opportunity to discuss their concerns with the developer. It would be more appropriate for public input once a plan is flushed out and is more definitive. Hiller said he understood Schneider's concerns but since notices were sent out that the council owed it to the neighbors to let them give their input. Schneider asked if there were any residents that felt the need to address the council on what had been discussed. No one spoke.

Schneider called a recess at 8:24 p.m. He called the meeting back to order at 8:37 p.m. Ellingson was excused.

- B. Items related to Urban Land Institute Programs**
- 1) Opportunity City Pilot Program**
 - 2) Minnetonka Mills Corridor Development Initiative**

Wischnack gave a staff report.

Cathy Bennett, Bennett Community Consulting and Opportunity City Project Manager gave a presentation. She reviewed the goals and processes used. Evaluation of the city's programs was done by looking at the funding of the programs and who the programs serve. Many of the city's programs serve a variety of income levels. Bennett said the community change information was the most dynamic portion of the process. The information is parcel based and is a collection of residential information spanning four years. She said many of the city's households are aging in place and this could create an economic impact. There is a small share of the households who are young homeowners. There is

some affordable housing within single family attached homes. Apartments and multi-family housing is an important component to the city's housing stock.

Bennett went over the program recommendations:

- Addressing the aging in place issue
- Increasing opportunities for young households
- Enhancing existing housing maintenance programs
- Strengthening land use controls and strategies

Bennett said the next step would be to gain acceptance for the report and look at preparing a work program that includes performance measures. There will be a need to look at the budget and staff resources and priorities.

Hiller suggested the council discuss what the next step would be to move forward on some of the recommendations.

Wagner said the information provided incredible depth for the council to have discussions about key policy issues. He said the information could lay out a great work plan for the EDA with council participation at certain points during the next four to six months. Is the city on the right track with what is in the comprehensive plan? What issues have the biggest impact on the city and where should the city put its resources? He said the data reinforces the fact that the city is having difficulty attracting younger families and the impact of that difficulty.

Greves agreed the information was very important and detailed and it calls out the need for strategic planning. She also agreed the process would take four to six months and the timing was critical because discussions about next year's budget would occur in the near future. It appears the council would be considering an HRA levy again and she would like a broader discussion about where the city is going and what recommendations should be looked into before the levy discussion occurs again. She would also like detailed information on some of the budget impacts or what the administrative burden might be for some of the recommended programs.

Wagner said he has had discussions with staff about reaching out with informal focus groups that include local realtors and possibly some local contractors to get a sense of what they see when people approach them looking for a place to live in the city or when someone wants to move within the city.

Greves said another focus group might include representatives from the faith community and the school districts. The school districts have had

some involvement at looking at housing programs and how to bring people in that may already be enrolled in the schools through open enrollment.

Schneider said the information from the process was very important and in depth that would give the city a much more practical way to interpret issues that are anecdotally known. He said he didn't see any information that drastically deviates from the current comprehensive guide plan. What the information does is to provide more depth to what were generic issues to identify real problems. He said the opportunity now exists for the council to focus on prioritizing the issues taking into account the available resources. He agreed it would take several work sessions to work through the process.

Wagner pointed to information that showed the percentages of attached housing in the city that indicated there was decent affordability in that area. He said that showed that Minnetonka in the late 90's put an emphasis on trying to deal with affordable housing through density and redevelopment. He said the challenge now is the next level up from affordability and attracting young families that have a decent income but would rather live in another suburb because they want a brand new house.

Gunyou suggested a joint council/EDA study session might be a good next step tasking the EDA to do a lot of the groundwork to come back to the council with a set of options.

Hiller agreed that the EDA should take a bigger picture approach towards many of the issues. He said there are many social and priority issues the council should direct the EDA on. He suggested the council prioritize the issues.

Gretchen Nicholls from the Local Initiatives Support Corporation said she helped co-convene the corridor development initiative process with Barbara Ray from the Center for Policy Planning and Performances. The strategy was to move away from focusing on eliminating blight and moving to a public purpose engaging multiple stakeholders with varying interests to find common ground for a public purpose and direction to help move development forward. The goals of the work was to develop criteria for the Minnetonka Mills district to be provided as recommendations to the city while also looking at how to strengthen participation and community involvement in the process.

Nicholls said community values were the foundation and basis for all the work. There was a strong interest in preserving the unique qualities of the area. There's an interest in strengthening and connecting the surrounding amenities. There's also an opportunity to create a facelift for an area that

would enhance the commercial district while providing new housing options. She said it was found there would be a definite value in improving upon the area's natural beauty, working through traffic flow issues and parking.

Nicholls said the panel discussion reinforced that Minnetonka is still a very desirable place to live but that development pressures would always exist. The location with its access to a lot of amenities is attractive to senior residential development. The discussion also reinforced that places are constantly evolving so people have to appreciate how things change and how they can be part of the change. Most sites can be done in an environmentally sensitive way by working together with the developer to make sure this is accomplished. She said there was some discussion about how the regulatory agencies can help work through issues.

Nicholls said the identified goals included preserving Minnetonka Mills with a mixture of residential and commercial uses. Another goal was to access or enhance public connections to natural amenities. The third goal was to consider high quality development compatible with other categories never directing development to one idea but rather creating a range of development products that potentially fit within the goals. The next identified goal was to have new housing to enable maximum public green space through compact residential development. The final goal was to preserve, enhance, and restore natural resources for the district. Nicholls said the idea was to offer a variety of strategies to negotiate with developers on how to manage proposals.

Ray spoke about the match between intention and evaluation data to see if the goals were actually accomplished. She said the data showed that participants indicated they learned things at the meetings and it was helpful to have the conversation. The block exercise helped show that values could be demonstrated in multiple ways. People repeatedly said one of the best things about the meetings was the chance to hear from neighbors and the diversity of viewpoints.

Betty Johnson, 12814 March Circle, said the Mills area is a big and well settled area that hasn't changed much over the years. The changes that have occurred have been evolutionary rather than forced development. She said the process was an exercise in community. The process was proactive and she liked that staff was willing to listen and took their role as listeners and opinion gatherers seriously. She noted the area would be difficult to change or redevelop because of the location of Minnetonka Boulevard, Shady Oak Road, Baker Road, Plymouth Road, and Minnehaha Creek. She said in spite of the constraints the area residents feel that is where they want to be and to do what they want to do. It is a great place for community but it could be enhanced with care. She

indicated it would be useful to have more sessions to allow for processing information by participants and to complete aspects of the recommendations. She indicated she was concerned about the issue of affordable housing. Realtor information has shown the prices of homes selling in the area are in the affordable range. She said if a study was done identifying the median level of house values in the city subtracting the higher and lower valued houses, it would be a more realistic view about the availability of affordable housing in the city.

Glenn Seutter, owner of Glenn's One Stop, said one thing that has struck him during his 35 years in the city is that a lot of people leave the city because there is no place available that meets their needs. Talking with customers who are of retirement age he has heard excitement about the possibility of senior housing in the Mills area. He said the amount of people who used to go canoeing and rafting 35 years ago was much more than what it is now. If the park comes back a lot more people would return to using the creek. He said it was a great opportunity to add trails to get people off the street to make the commute safer. Opening up the area and making the creek more visible would also add to its popularity.

David Hakensen, 3626 Baker Road, said he was glad the council chose to use the pilot process to use in the Minnetonka Mills corridor development initiative. Engaging LISC was good but the organization came with the reputation of being an affordable housing advocate which raised a red flag with some people. He said the format for the meetings was good but the process got off on the wrong foot with the first meeting that came across with a heavy handed agenda. The amount of information left the impression with some people that decisions had already been made. This proved not to be true and the tone changed for the rest of the meetings with mid-course adjustments that were made due to the feedback. He said there were rumors in the community about a developer who had come forward with a proposal. While a formal proposal had not been submitted to a city, Hakensen said it would have been helpful to acknowledge the developer had circulated a concept plan to commercial businesses, council members, and to staff. People's varying amount of knowledge about the process required patience to bring people along. He said the city would have to weigh the costs of using this type of initiative for future projects but it was probably worth investing in making the initiative part of the city's process in order to avoid potential litigation and other costs.

Wagner noted the feedback received from participants was that there was a lot of information to take in, and the process needed to be as open as possible. He asked Hakensen what he thought the proper timeline and number of meetings was to balance the commitment people would have to make in order to be properly informed. Hakensen said the four meetings held two weeks apart worked out well keeping people engaged. He said

the front end included a lot of demographic information that was useful but didn't get at the issues. The building block exercise was interesting but he questioned its usefulness for ordinary residents. He encouraged the city to be straightforward in stating nothing was on the table but the process was to discuss values knowing that change was inevitable. Wagner said he had talked with some people who fundamentally believe there was a secret agenda even though the whole purpose was to generate discussion because the city did not want to be reactive when a developer comes forward.

Steve Adams, 11111 Sumac Lane, said he joined the planning commission because he wanted to be proactive in the way things got done in the city. He quickly discovered the planning commission does not do things proactively because there is not a mechanism to do so. The comprehensive plan is the only vehicle that directs future development in the city. The planning commission also has limited ability to solicit public input. Public hearings take place after a developer has conceived plans. He said residents feel left out of the process when proposals come forward. There is a perception the city is in league with developers. He said this task force's process allowed for greater and earlier public input to shape future development. There was no one single meeting that was vital because there was sufficient opportunity for public input. He said he would like to see the process applied to all the other village centers identified in the comprehensive plan. All the village centers will see changes over the next ten years. He would like to see more public guidance as to what types of things are amenable to the local community. Developers also would appreciate that information so they are not going off in a direction that the community would not support. He said the only question is about the timing. It doesn't make sense to do the process for an area that won't see any development for five to ten years.

Wagner said he thought it was a very good process and the feedback was beneficial. He said he would like the EDA and council to discuss if the process should be used for the village centers where it could be valuable. Holding the discussion in an overt way might minimize some of the fear that the city has a secret plan. The struggle would be in prioritizing the areas. If there is not an impetus for an area and the results sit for a number of years, it would not do the city any good. He said he had received a number of written recommendations that were helpful. He posed the question at what point do changes occur in one of the village centers that would change one of the neighborhood recommendations.

Schneider agreed timing was an important issue. The process had to be used early enough before plans were floating around but late enough that there was something concrete enough to discuss. Another critical element in implementing the best parts of the process is the balance between free

flowing dialogue with people who just happen to show up at a meeting versus a very structured dialogue with people who can be counted on to show up. The ideal would be to fall between the two extremes. The key would be to have a consistent facilitated process where people could believe in the credibility in what was trying to be done. He noted that out of the 110 participants only 11 attended all four meetings. At the last meeting 60 residents attended, and 20 of those people had not been to a previous meeting. This presented a challenge to produce a consensus document and he gave kudos to Nicholls and Ray for making that happen. He suggested having a more invited structured list where people would sign up to be on the panel discussion and would commit to being at all the meetings. A packet would be produced for all the meetings so people could see what would happen at each meeting. Others could come to observe but a core group would exist and create more buy in with a greater chance for success. He suggested picking an area to try out a mini version of the process.

Hiller said the people he talked to who were involved in the process were delighted to have the opportunity. He said the challenge is showing residents that something would be done with the report. The next step is to show the council values the input by using the report as a guide. Schneider agreed and said if important pieces come out in the document the pieces could be incorporated into the guide plan.

Hiller asked when the results and conclusions and the next steps would be discussed. Wischnack indicated the report was the conclusion of the process. If a developer comes forward, the set of principles would be shared with the developer and the process would likely be to evaluate the projects with the principles in mind. Schneider said for the Minnetonka Mills area, the trigger would be someone coming forward with a proposal. He said the city needed to redevelop the process so that for another area where a project comes forward, the city isn't scrambling to figure out how to use the process to use on the proposal. Wagner added that the council would also have to discuss if the city wanted to use the process. Schneider suggested adding an area on the city's web site to post ideas that come up with dates for work sessions indicating what the city is thinking about doing and soliciting feedback.

Gunyou indicated that at the EDA's meeting later in the month, there would be a discussion about taking a broader view. Ideally the EDA would have recommendations for the council to consider at the budget study session. He said later on there would likely be multiple study sessions to discuss where to go from here on the broader question. Greves said it would be appropriate to discuss the process specifically tied in with the bigger picture. She would like to see a timeline nailed down. Does the city want it to be a ten year process? Probably not because there are other

areas that could potentially be redeveloped. She said the city needs to stay ahead of that. If the city knows something might be going on it would be important to prioritize and layout the timeline.

Hiller said he was concerned the council was making a statement that it supports the conclusions and would use them for guidance in the future. He said the council had not stated it agreed with the conclusions and he felt things were missing. Just to give the document to a developer in the future would not be an adequate conclusion to all the work that was done. Schneider said the basic premise was the council was looking for meaningful documented feedback from the neighborhood to be used in consideration as a guide for the neighborhood's concerns and issues to evaluate against a project that comes forward. To take the document and amend it to what the council believes would defeat the purpose of saying it was an important document from the neighborhood. He said the council would take the document seriously when a project comes forward. It would maintain its role as a community document rather than a council policy.

Wagner said he respected the theory of trying to bring some conclusion to the project but the document was what the neighborhood came up with and if the council wanted something different, it already would have been included in the guide plan. He said it was a key reference document that future councils, planning commissions, and developers would use to guide what may be proposed.

Schneider said it would be appropriate if there were parts of the document that could be tied in to the guide plan to make the guide plan more meaningful.

Hiller said one of the community's frustrations in the Glen Lake project was that a plan worked on by residents and a council member was ignored. He said the council owed those that worked on this process some statement or mechanism to indicate the council would take the recommendations seriously or disagreed with certain recommendations or that there were directions that were not included. The council had an obligation to state where it valued the document, the commitment that would be made, and how the document would be put to use.

Schneider said he didn't share that opinion because it wasn't the original goal. Wagner asked the consultants what had been done in other cities. Ray said cities have done a variety of things with the final document. In one city the planning commission attached the recommendations to an RFP related to a particular site. In other cases the document was used to start promoting sites. Some cities have incorporated the document into the council policies as formal development guidelines for a particular property. She said what was most important was that for the people who had

reached the consensus believed the council would use the document in some way.

Schneider said his intention was to use the document as the neighborhood community criteria guide for the site. This would be different than making the document a formal part of the guide plan. He said he didn't disagree with anything in the document and would take the criteria seriously but this had to be weighed with if a development that comes forward would be more commercial or residential or something else. What comes forward would highlight which piece of the document would be more critical. Ray said she hadn't heard dissent from the council about how the document would be used. Each of the council had expressed some commitment to use the document. She heard Hiller's concern as wanting the council to agree on how the document would be used. Schneider said that was a fair statement. The council needed to be able to tell the community how the document would be used.

C. Resolutions ordering the abatement of nuisance conditions existing at 14401 Brunsvold Road and 13100 Orchard Road

Wischnack gave the staff report.

Wagner moved, Greves seconded a motion to adopt the following resolutions:

- 1) Resolution No. 2009 -066 ordering the abatement of conditions 14401 Brunsvold Road.
- 2) Resolution No. 2009-067 ordering the abatement of conditions at 13100 Orchard Road.

All voted "yes." Motion carried.

15. APPOINTMENTS and REAPPOINTMENTS: None

16. ADJOURNMENT

Greves moved, Wagner seconded a motion to adjourn the meeting at 10:21p.m.
All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda
City Clerk