

**STAFF SUMMARY
CITY OF MINNETONKA
JOINT MEETING WITH THE CITY COUNCIL AND THE EDAC
MONDAY, JUNE 21, 2010
PAGE 1**

Council Present: Dick Allendorf, Bob Ellingson, Amber Greves, James Hiller, Tony Wagner, Brad Wiersum, and Mayor Terry Schneider

EDAC Present: Kate Aanenson, Benita Bjorgo, Ken Isaacson, Bruce Smith, Chandra Coughlin, Michael Happe and Peter St. Peter (Chair)

Staff: John Gunyou, GERALYN Barone, Desyl Peterson, Julie Wischnack, Elise Durbin

1. Call to Order

Schneider called the meeting to order at 6:03 p.m.

2. Introduction of new EDAC members

3. Mayor's welcome

Schneider said the city was poised for a time where a lot of great things can be done. It was important to be more proactive in business development, affordable housing, life cycle housing and making sure the city has the right type of housing. He said in the past the EDA tended to be more reactive as most of the activity involved developers coming forward wanting tax increment financing or some other subsidies for approval. The city was in a climate that it could sit back and wait for that to happen. Things have changed not only economically but also the council has decided the city needs to be more proactive rather than waiting until a developer brings a proposal that needs to be responded to. The updated comprehensive plan has accelerated the need for this change.

4. Overall structure of the commission

Schneider said the EDAC was set up similar to the planning commission with seven members with two year terms. The commissioners' terms will be staggered.

5. Discussion of EDAC work plan

Community Development Director Julie Wischnack gave the staff presentation.

Aanenson asked if the meetings would be held in the council chambers. Wischnack indicated that was correct and noted the meetings would be webstreamed. Schneider reminded the commission members that they had to abide by the open meeting laws.

**STAFF SUMMARY
CITY OF MINNETONKA
JOINT MEETING WITH THE CITY COUNCIL AND THE EDAC
MONDAY, JUNE 21, 2010
PAGE 2**

Coughlin asked if there was benchmark data available. She said studies and analytical data of comparable cities would be helpful. Wischnack said staff had to remind themselves that some of the commission members were new to the process and needed some of the information that the city went through during the comprehensive plan process. She said staff would keep the commission members in the loop and provide information from studies.

Greves noted a recent Star Tribune news article indicating the Metropolitan Council's affordable housing targets had been lowered. She asked what the number of affordable housing units in the city was. Community Development Supervisor Elise Durbin said there were 383 units at the beginning of the comprehensive plan process. The number has decreased since then. Greves said it would be interesting to have the EDAC review the affordable housing targets in the 2011-2020 Metropolitan Council housing goals. Wischnack said it would take a lot of homework for the EDAC members to understand the background of the goals. Schneider noted it was important to look not only at the numbers but what types of affordable housing was needed in the city. The council has discussed the gap in the modest priced housing in the city that would attract young families into the community. Wiersum said the EDA spent a lot of time looking at affordable housing. The city has done a good job with subsidized affordable housing but what is lacking is unsubsidized affordable housing that would be affordable for young families. He agreed with Greves that even though the targets have dropped, that doesn't mean the need has changed.

6. City Council expectations

Schneider said there would be a steep learning curve for the EDAC members. He said because there may be things that happen that change the whole dynamics of what the priorities are, commission members had to be flexible and adaptive. Setting the groundwork at the beginning was important because it would help later on in the process.

Greves was excused at 6:46 p.m.

Looking at the priorities for the commission, Wiersum said there were the traditional things the EDA had been involved in including affordable housing issues. There are also pressing issues coming up including light rail. He agreed with Schneider that there was an opportunity for being proactive and deciding what kind of community people wanted to have and how to make the community better.

Wagner said the work plan was a daunting list and it was important to prioritize what the 12 month, 24 month and long term objectives were. He agreed there was a unique opportunity to be more proactive in parts of the city. One such area is the area around the Shady Oak station where there are 17 pieces of

**STAFF SUMMARY
CITY OF MINNETONKA
JOINT MEETING WITH THE CITY COUNCIL AND THE EDAC
MONDAY, JUNE 21, 2010
PAGE 3**

independently owned land. How can the city leverage what was done in the Minnetonka Mills planning process for the Highway 7 and County Road 101 area? Another area with an opportunity to be proactive was the Opus area. A related issue was how transit impacts the ability to develop some of the village centers. He said he would put priority on what incremental benefits could be gained and focus on long term planning.

Allendorf said traditional priorities for the EDA have been housing and transit and transportation issues. He said a priority for the EDAC would be redevelopment, specifically the County Road 101 and Highway 7 area and Shady Oak Road and Excelsior Boulevard area. He would push for a similar concept to what Minneapolis has used in having interested developers work with the EDAC. The developers would apply their expertise on what was financially feasible. He said the development community could help the city's efforts in coming up with a realistic plan, budget and time period for the two development areas. This process wasn't needed before because the developers came to the city with proposals and plans.

Ellingson said the obvious places that need redevelopment had been identified. He said he liked the planning process for Minnetonka Mills. There was developer interest but the city got ahead of things by meeting with the neighborhood to see what they wanted to happen. He said it was always important to keep in mind the underlying business going into the buildings that will be built. One example was in the I394 and Hopkins Crossroad area where the council debated whether there should be a three story or four story office building. Now there won't be any office building because of the economy.

Hiller said he was looking forward to what came out of the process. He noted that the EDAC members would have plenty of support and expertise provided by city staff. Consultants could also be brought in to help out as needed.

St. Peter said there was a daunting challenge with the timeline of the budget cycle. The preliminary levy would be adopted in August and formally adopted in December. Brainstorming and discussion would be needed so that there would be directed recommendations for the council. He said last year the EDA ran into resistance from the council due because of the lack of specificity in its recommendations.

Schneider suggested the EDAC shouldn't spend a lot time figuring what should be done with the HRA levy. There would be many challenges for the city trying to keep taxes low given the current economic climate. He said the appetite for doing major increases likely was not great. He indicated there were procedures that needed to be followed in order to take available funds combined with the new transportation fees that would be generated from the Bren Road interchange. Potentially there would be an ongoing revenue stream of several million dollars to

**STAFF SUMMARY
CITY OF MINNETONKA
JOINT MEETING WITH THE CITY COUNCIL AND THE EDAC
MONDAY, JUNE 21, 2010
PAGE 4**

be used for economic development in the city. A charter amendment change is required to transfer money from the special assessment fund into the economic development fund. In order to do that, criteria needs to be developed. He said the EDAC's focus should be learning about the potential available funding and developing the criteria and priorities through interaction with the council.

7. Joint Meeting adjournment

The joint meeting adjourned at 7:07 p.m.

Respectfully submitted,

David E. Maeda
City Clerk