

**STAFF SUMMARY
CITY OF MINNETONKA
SPECIAL COUNCIL STUDY SESSION
MONDAY, DECEMBER 6, 2010
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Council Present: Dick Allendorf, Bob Ellingson, Amber Greves, James Hiller, Tony Wagner, Brad Wiersum, and Mayor Terry Schneider

Staff: John Gunyou, Geralyn Barone, Desyl Peterson, and David Maeda

1. Update on proposed City of Minnetonka/Minnehaha Creek Watershed District joint facility

City Manager John Gunyou said Schneider, Wagner, and Hiller served on the joint committee.

Assistant City Manager Geralyn Barone gave the staff report.

Wagner noted there were two decision points. The first was if the watershed district wanted to move forward. The other was for the city to determine the public good of giving up open space. He suggested identifying what the programming would look like and potential partnerships before too many decisions are made. There also has to be a reason for people to go to the facility other than the programming space. He suggested something like a wine bar would bring people to the site.

Hiller agreed with Wagner. The first step had been to determine if the idea was reasonable and it was determined it was. The next step was to look at the programming and activities in order to make a value judgment. He said good progress had been made and the potential was great.

Schneider said the challenge was coming up with some creative way to provide a public attraction while maintaining a legitimate public purpose to the facility. He said there was a phenomenal view from the site. There had been discussion that the Minnetonka Mills area would have to engage residents with interaction with the creek. This would be a challenge until the north part of the creek area is developed. Some of the community engagement could occur at the facility.

Allendorf questioned why the city would spend money when the function that would bring people to the facility could already be done in existing buildings. He asked if the city was going to put in the land at value with the watershed district responsible for the construction dollars. He asked what the arrangement would be if the land value doesn't match the construction dollars. He noted it was a perpetual lease and suggested there be some wind down mechanism if the city and watershed district began to have some type of disagreement. Gunyou said the watershed district had an interest in building a facility for their purposes but also had interest in the creek access and communitywide interest. He said the financial partnership would be that in exchange for the land the city would obtain various public benefits for the community, including use of the facility as grounds

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for educational, civic and community purposes. The city would own both the land and the building. The watershed district would pay for everything including community space. The city would manage the community rooms similar to what it does with the community center and other city buildings that are available to the public. He noted there are provisions that would allow the watershed district to use the facility as long as it wanted but would require them to pay for increasing operation costs. There would also be provisions to allow the watershed district to get out of the arrangement as long as it paid off the building.

City Attorney Desyl Peterson said the details had not been worked out but up until the time the bonds are paid off, the watershed district would be responsible for paying the amount of the bonds and the interest due. Allendorf noted the last joint venture the city had been involved in was the arts space and he did not think that turned out well for the city.

Wiersum agreed with Allendorf that the end of the joint venture for the arts space did not end well but in the end there was an arts center that was a benefit for residents even though the city did not own the space. He said open space was valued by the community and there was a tradeoff between open space and a facility that could potentially bring more people in to enjoy the creek. If the facility was well done it would be a win/win for both parties.

Peterson said in comparison to the arts center, in this situation the city would be more like the school district because it would own the building and land. The city would be in a completely different and better position in this situation.

Greves said the community benefit of the space would be in the programming as much as the community space. She offered to help with school district contacts. She indicated that Groveland Elementary School had been unsuccessfully trying to build an eco-lab for the past four or five years. The need for that kind of living classroom space was huge in the community. She added the adult education part of the programming was also important. Anything that could be done to draw in adults to learn more about what the watershed district was doing would be beneficial. She suggested another possibility was doing something similar to what was done with cross country skiing at the Glen Lake Golf Course that involved a partnership with the Three Rivers Park District. The nature centers through the Three Rivers Park District draw in people all the time. Greves said that the Glen Lake Plaza process included some discussion about public art. She suggested this facility was another potential site for public art. Gunyou said the points Greves had raised have been part of the ongoing discussions.

2. Adjournment

The special study session adjourned at 8:54 p.m.

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Respectfully submitted,

David E. Maeda
City Clerk