

**MINUTES
MINNETONKA CITY COUNCIL
REGULAR MEETING, MONDAY, MARCH 7, 2011**

1. CALL TO ORDER.

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

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

4. APPROVAL OF AGENDA

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

5. APPROVAL OF MINUTES:

A. January 31, 2011 regular meeting

Allendorf moved, Wiersum seconded a motion to approve the minutes of the January 31, 2011 Minnetonka City Council regular meeting. All voted "yes." Motion carried.

B. February 14, 2011 regular meeting

Allendorf moved, Wiersum seconded a motion to approve the minutes of the February 14, 2011 Minnetonka City Council regular meeting. All voted "yes." Motion carried.

6. SPECIAL MATTERS:

A. Presentation and proclamation for 13th Annual Empty Bowls event

Barb Westmoreland from the Hopkins School District introduced Community Co-Chair Tim Bergstedt. Bergstedt said it was the 13th annual event. Demand for services at Resource West and the ICA food shelf was at unprecedented levels.

Schneider read the proclamation.

B. Proclamation declaring March 17, 2011 as Caring Youth Day in Minnetonka

Greves read the proclamation.

C. Update from Commuter Services

Executive Director Melissa Madison presented the report.

Allendorf praised Madison and her staff for their dedication.

7. REPORTS FROM CITY MANAGER & COUNCIL MEMBERS

Gunyou reported on the schedule for upcoming council meetings.

8. CITIZENS WISHING TO DISCUSS MATTERS NOT ON THE AGENDA

Luke Hellier from Congressman Erik Paulsen's staff reported on an upcoming job fair on April 21 at Normandale Community College.

9. BIDS AND PURCHASES:

A. Bids for city hall curtain wall replacements

Gunyou gave the staff report.

Greves moved, Wiersum seconded a motion to award the bid to W. L. Hall Company in the amount of \$140,000.00. All voted "yes." Motion carried.

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

A. Resolution supporting a grant application for Hennepin County Transit Oriented Development funds

Allendorf moved, Greves seconded a motion to adopt Resolution No. 2010-013 supporting the application. All voted "yes." Motion carried.

B. Resolution approving a conditional use permit and site plan review for construction of five new tennis courts at Minnetonka Middle School East, located at 17000 Lake Street Extension

Allendorf moved, Greves seconded a motion to adopt Resolution No. 2011-014 which approves a conditional use permit for grading in excess of 1,000 cubic yards and site plan review for the construction of five new tennis courts at Minnetonka Middle School East at 17000 Lake Street Extension. Approval is based on the following findings:

- 1) The proposal would meet conditional use permit and site and building plan review standards outlined in the zoning ordinance.
- 2) The proposed tennis courts will be required to meet all minimum setback requirements on the site
- 3) The proposal would meet the city's required parking minimum and would not disturb the site circulation on the site.

Approval of the conditional use permit and site and building plans is subject to the following conditions:

- 1) Subject to staff approval, the site must be developed and maintained in substantial conformance with the following plans, unless modified by the conditions below:
 - Site plan date-stamped December 22, 2010
 - Grading plan date-stamped December 22, 2010
 - Landscaping plan date-stamped December 22, 2010
- 2) A grading permit is required. Unless authorized by appropriate staff, no site work may begin until a complete grading permit application has been submitted, reviewed by staff, and approved.
 - a. The following must be submitted for the grading permit to be considered complete.
 - (1) Final site, grading, drainage, utility and erosion control plans must be submitted for staff approval.
 - (a) Final drainage plan must include:
 - The stormwater management BMPs must be sized to account for the 1.44 acres of constructed impervious surface. An updated design for the filtration basin and updated stormwater calculations must be submitted to the city for review.
 - (2) Individual letters of credit or cash escrow for 125% of a bid cost or 150% of an estimated cost to comply with grading permit, landscaping requirements, and to restore the site. The developer may submit one itemized letter of credit, if approved by staff. The city will not release or reduce the letters of credit or cash escrow until work has been completed according to the plans approved by the city.
 - (3) A construction management plan. The plan must be in a city approved format and must outline minimum site management practices and penalties for non-compliance.
 - b. Prior to issuance of a grading permit:
 - (1) Submit an electronic PDF copy of the plans and specifications.
 - (2) Submit two full size and three 11x17 sets of construction drawings and three sets of project specifications.

- (3) Submit all required administration and engineering fees.
 - (4) Submit a SWPPP.
 - (5) Staff must review and approve a wetland delineation of the site. The final plans must meet the wetland setback of 25 feet.
 - (6) Install a temporary rock driveway, erosion control, tree and wetland protection fencing for staff inspection. These items must be maintained throughout the course of construction.
 - (7) Permits may be required from other outside agencies including, but not limited to Hennepin County, the Riley-Purgatory Bluff Creek Watershed District, and the MPCA. It is the applicant's and/or property owner's responsibility to obtain any necessary permits. Copies of all required permits must be submitted to the city.
- 3) Prior to issuance of a building permit:
- a. Submit the following items for staff review and approval:
 - (1) A construction management plan. This plan must be in a city approved format and outline minimum site management practices and penalties for non-compliance. If the builder is the same entity doing grading work on the site, the construction management plan submitted at the time of grading permit may fulfill this requirement.
 - (2) A landscaping and tree mitigation plan. The plan must meet minimum landscaping and mitigation requirements as outlined in ordinance and must include plantings. However, at the sole discretion of natural resources staff, mitigation may be decreased based on any of the following: the health of trees removed; the ability to appropriately install trees and other shrubbery given existing vegetation and/or topography.
 - (3) Cash escrow in an amount to be determined by city staff. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge: The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and If compliance is not achieved, the city will use any or all

- of the escrow dollars to correct any erosion and/or grading problems.
- (4) An electronic CAD file or certified as-built drawings in microstation or DXF and PDF format.
 - (5) A letter of credit or cash escrow for 125% of a bid cost or 150% of an estimated cost of all required landscaping.
 - (6) An illumination plan for staff approval.
- b. All required hook-up fees.
- 4) The property owner is responsible for replacing any required landscaping that dies.
 - 5) All rooftop and ground-mounted mechanical equipment, and exterior trash and recycling storage areas, must be enclosed with materials compatible with the principal structure, subject to staff approval. Low profile, self-contained mechanical units that blend in with the building architecture are exempt from the screening requirement.
 - 6) Construction must begin by December 31, 2012, unless the planning commission grants a time extension.

All voted "yes." Motion carried.

C. Resolution approving a conditional use permit for an indoor dog park at Cedar-73 Business Park

Hiller asked for the item to be pulled from the consent agenda. He asked for more information about the waste management at the site. City Planner Loren Gordon noted conditions in the proposed resolution required the outdoor play area to be fully enclosed by a fence but did not include requirements about what the surface material had to be. The plan for the waste management would cover everything inside and outside the building.

The applicant, Mindy Banko, said the outdoor area would not be installed for a couple of months due to weather. The area will be sodded. Hiller said that addressed his concern. He asked for more information about the use of the overhead door. Gordon said staff's concern was about direct access from inside of the building to the enclosed area.

Hiller moved, Wagner seconded a motion to adopt Resolution No. 2011-015 which approves a conditional use permit for a 3,900 square foot indoor dog park and dog daycare business at 2814 Hedberg Drive. Approval is based on the finding that the proposal meets the required conditional use permit standards and is subject to the following conditions:

- 1) Prior to issuance of a building permit or occupying the space, complete the following:

- a) Record this resolution with the county. A copy of the recorded resolution must be returned to the city.
 - b) Submit a pet waste management plan for staff review and approval.
 - c) Submit a shared parking agreement for review and approval by the city attorney. This document must be filed with Hennepin County.
- 2) The outdoor play area on the back of the building must be fully enclosed with an opaque fence. Access to the outdoor play area must be provided from the overhead door.
 - 3) The owners must obtain a kennel license as required by the Minnetonka Police Department.
 - 4) The city council may reasonably add or revise conditions to address any future unforeseen problems.
 - 5) Any change to the approved use that results in a significant increase in traffic or a significant change in character would require a revised conditional use permit.
 - 6) The applicant must agree to the above conditions in writing.

All voted "yes." Motion carried.

D. Resolution approving a conditional use permit for grading in excess of 1,000 cubic yards on and around the Cargill property at 15407 McGinty Road West

Allendorf moved, Greves seconded a motion to adopt Resolution No. 2011-016 which approves a conditional use permit for grading in excess of 1,000 cubic yards on and around the Cargill property at 15407 McGinty Road West. Approval is based on the following findings:

- 1) The proposal would meet the general conditional use permit standards as outlined in city code.
- 2) The proposal would meet minimum engineering requirements.
- 3) The proposal would improve the safety of an existing roadway and better protect the adjacent water resources
- 4) The proposal would potentially improve pedestrian and vehicular safety by separating parking and through traffic.

Approval is subject to the following conditions:

- 1) The site must be developed in substantial conformance with the plan set date stamped January 28, 2011, unless modified by conditions below.
- 2) A grading permit is required. Unless authorized by appropriate staff, no site work may begin until a complete grading permit applicant has been submitted, reviewed by staff, and approved.
 - a. The following must be submitted for the grading permit to be considered complete:
 - (1) A recorded copy of this resolution.

- (2) Final site, grading, drainage and erosion control plans must be submitted for staff approval.
 - (3) Verification that the roundabout and connected legs, meet turning radii for emergency vehicles.
 - (4) Individual letters of credit or cash escrow for 125% of a bid cost or 150% of an estimated cost to comply with grading permit, wetland restoration, landscaping requirements, and to restore the site. The developer may submit one itemized letter of credit, if approved by staff. The city will not release or reduce the letters of credit or cash escrow until work has been completed according to the plans approved by the city.
 - (5) A construction management plan. The plan must be in a city approved format and must outlined minimum site management practices and penalties for non-compliance.
 - (6) One of the following:
 - (a) Escrow dollars, in an amount to be determined by natural resources staff, to contract with an erosion control inspector to monitor the site throughout the course of construction; or
 - (b) Evidence that an erosion control inspector has been hired to monitor the site through the course of construction. This inspector must provide weekly reports to natural resource staff in a format acceptable to the city.
- b. Prior to issuance of a grading permit:
- (1) Install a temporary rock driveway, erosion control, tree and wetland protection fencing for staff inspection. These items must be maintained throughout the course of construction.
 - (2) Submit cash escrow in the amount to be determined by city staff. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge: (1) the property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and (2) if compliance is not achieved, the city will use any or all of the escrow dollars to correct any erosion and/or grading problems.
- 3) Permits may be required from other outside agencies including, but not limited to, MnDOT, Hennepin County, Minnehaha Creek

Watershed District. It is the applicant's and/or property owner's responsibility to obtain any necessary permits.

- 4) Comply with all monitoring requirements of other appropriate regulatory agencies.
- 5) The city council may reasonably add or revise conditions to address any future unforeseen problems.
- 6) Any change to the approved use that results in a significant increase in traffic or a significant change in character would require a revised conditional use permit.
- 7) The applicant must agree to the above conditions in writing.

All voted "yes." Motion carried.

E. Resolution reaffirming previous preliminary plat approvals for subdivision of the property at 18200 Old Excelsior Boulevard

Allendorf moved, Greves seconded a motion to adopt Resolution No. 2011-017 which reaffirms the previous preliminary plat approvals, subject to previous conditions of approval. All voted "yes." Motion carried.

F. Resolution approving the final plat for RABBIT HILL at 4625 Highland Road

Allendorf moved, Greves seconded a motion to adopt Resolution No. 2011-018 which approves the RABBIT HILL final plat that was received on February 22, 2011, subject to the following conditions:

- 1) Submit final plat drawing for staff review and approval. The plat must provide 10-foot wide drainage and utility easements along the lead-in segment of the new public street.
- 2) Compliance with all preliminary plat conditions, especially the specific conditions for release of the plat; and
- 3) Unless the City Council approves a time extension, the final plat must be recorded within one year of Council approval of the final plat.

All voted "yes." Motion carried.

G. Labor agreement between the city of Minnetonka and Teamsters Local #320 – police officers

Allendorf moved, Greves seconded a motion to approve the agreement. All voted "yes." Motion carried.

H. Amendment of city manager employment agreement

Schneider pulled the item from the consent agenda. He asked staff to provide more information about the item. Assistant City Manager Geralyn Barone noted items not covered in the city manager's employment agreement were included in the city's personnel policy. She said the item was a housekeeping matter. The city manager is not part of PERA so Social Security would be used as the trigger. She said the amendment would not expand any benefits and would align with what all other employees are eligible for.

Schneider suggested clarifying the employment policy's use of the term "severance." He said the policy more specifically dealt with earned benefit payout at the time of retirement or leave of employment after a specific period of time. Wagner agreed with Schneider's suggestion.

Schneider moved, Wiersum seconded a motion to approve the amendment to the city manager employment agreement regarding severance for voluntary resignation. All voted "yes." Motion carried.

I. Resolution concerning the 2011 Street Rehabilitation Project No. 11401

Allendorf moved, Greves seconded a motion to adopt Resolution No. 2011-019 accepting the plans and specifications and authorizing the advertisement for bids for the 2011 Street Rehabilitation Project No. 11401. All voted "yes." Motion carried.

J. Resolution approving site and building plan for TOYS R' US and BABIES R' US; Resolution amending the master development plan for Ridgedale Festival located at 14200 Wayzata Boulevard

Richard Stewart, 13910 Knollway Drive, asked that the item be pulled from the consent agenda. Gordon gave a staff report. Stewart requested the item be continued so the neighbors could work on issues with staff. He said a major change to the master plan was being proposed and notification to the neighbors had not been provided.

Linda Stewart, 13910 Knollway Drive, indicated one of the neighbors' concerns was the timeframe of the proposal. She said there were concerns related to the signage limiting trucks to 50 feet. She met with the site's property owners and indicated the owners were open 11 months ago to working with the neighbors to address concerns.

Tony Tedrow, speaking on behalf of the applicant, noted there was a sign in place with the gate locked until 7 a.m. No trucks are allowed behind the building until after 7 a.m. He said he would personally see that no deliveries are allowed during the construction before 8 a.m.

Gunyou noted the deadline to make a decision on the item was in May. Wiersum said he preferred the council delay making a decision so that the neighbors' concerns could be addressed. Hiller agreed.

Wiersum moved, Hiller seconded a motion to continue the item to the March 28, 2011 meeting. All voted "yes." Motion carried.

11. Items requiring Five Votes: None

12. INTRODUCTION OF ORDINANCES: None

13. PUBLIC HEARINGS:

A. On-sale wine and on-sale 3.2 percent malt beverage liquor licenses for Noodles & Company, 12977 Ridgedale Drive

Gunyou gave the staff report.

Schneider opened the public hearing at 7:17 p.m. No one spoke.

Wiersum moved, Greves seconded a motion to continue it to April 18, 2011. All voted "yes." Motion carried.

14. OTHER BUSINESS:

A. Resolution approving a conditional use permit for a 150-foot wireless telecommunications tower on the property at 15001 Minnetonka Industrial Road

Gordon gave the staff report.

Wiersum noted the other 150 foot towers in the city had several appendages that do not look like the proposed monopole. He said he wanted to be assured that the city was getting what was being proposed. Gordon said the condition in the resolution would restrict the design and the construction of the antennas on the monopole to the "stealth design." The requirement would be that the antennas be placed inside the diameter of the monopole. Winter sky color would also be required.

Schneider said the technology required to locate the antennas inside the monopole meant the same type of co-location required for a standard frame pole. Gordon said there would be the ability to co-locate at least three and possibly up to four antennas.

Allendorf said the proposed look of the tower was clean looking. He asked what type of guide wires or support mechanism would be required for a

150 foot tower. Gordon said the monopoles were specifically designed to be self supporting.

Garrett Lysiak, Owl Engineering, cautioned that with the technologies that were now available not all the providers who might want to go on the tower would be able to be located inside the shell. He cited Clearwire, a provider in the city, which has a system that uses microwave dishes to transmit information from one tower to another. He said if the council chose to put a restriction on the tower to not allow anything on the outside, it might require another tower if a provider came forward in the future. He noted that antennas placed on water towers now were not noticeable because they are located on the side and painted.

Hiller asked what size device is needed for a wireless connection located outside. Lysiak said in the example of Clearwire, the design utilizes a fiberoptic or T1 connection to the pole. A master setup on a water tower is used to transmit the data to other antenna. The size of the microwave dish is usually two to three feet. The issue is the dish has to be aimed at specific sites. He said if someone wanted to add something on, the city would have the ability to regulate the addition through a conditional use permit. Gordon said if a scenario like the one Lysiak described came up in the future, staff could revisit the conditional use permit to allow for the other technology. He said the resolution before the council adequately addressed what was being proposed.

Schneider said he wanted to avoid a situation where someone came in and said the resolution prohibited them from installing an antenna on the tower. He said the discussion indicated the council was open to modifying the provisions subject to council review. Peterson said the city's ordinance included a requirement that the companies had to use stealth technology. The appendages could be used as a cheaper way of providing service but the ordinance does not allow that. She suggested the council should hold the companies to using the right technology and not give in too easily.

Wiersum said he agreed with Peterson that the city should have a higher standard not only for the aesthetics, but also because the solutions exist. He noted the council had previous discussion about a water tower that had no more capacity for antennas and an applicant came in with a proposal for a monopole. After further examination it was determined the water tower did have the capacity for further antennas. He said his preference would be for the city to take the same approach in the future. If another tower is proposed in the future a different or modified approach could be looked at but it should be done so based on the technology available. The city has little control but should use the control it has.

Allendorf moved, Wagner seconded a motion to adopt Resolution No. 2011-021 which approves a conditional use permit for a 150-foot telecommunication tower on the property at 15001 Minnetonka Industrial Road:

Approval is based on the following findings:

1) The proposal meets the required conditional use permit standards.

Approval is subject to the following conditions:

- 1) This resolution approves only the telecommunication facility at 15001 Minnetonka Industrial Road, detailed in associated site plans and elevations date-stamped January 7, 2011. This resolution does not imply or ensure future approval of any other telecommunication facilities in the community, regardless of their physical or wireless connection to other sites in the community.
- 2) The site and facility, including ground mounted equipment, must be developed in substantial conformance with the following plans, unless modified by conditions below:
 - Site Plan date-stamped January 7, 2011
 - Compound Plan date-stamped January 7, 2011
 - Tower Elevation Plan date-stamped January 7, 2011
- 3) Prior to issuance of any required electrical or building permits, complete the following:
 - a. Record this resolution with the county. A copy of the recorded resolution must be returned to the city.
 - b. Submit evidence of a signed lease agreement for space on the telecommunication tower. If the lease agreement is not with T-Mobile, a radio analysis must be conducted by a city-retained radio or electrical engineer and must demonstrate that the proposed location of the antennas is necessary to meet the coverage and capacity needs of the service providers system and that there is no existing antenna support structure that could adequately serve the area if antennas were placed on it.
 - c. Provide escrow to the city for any outstanding or additional consultant fees associated with radio analysis.
 - d. Submit a revised site plan for review and approval of the city engineer. The plan must locate the tower and equipment pad further to the east, outside of existing and necessary utility easements.
 - e. Submit a final grading and erosion control plan for staff review and approval. Staff may require adjustments to the grading plan to preserve trees south of the proposed enclosure.
 - f. Submit a final landscape plan for staff review and approval. The plan must mitigate for significant and high priority trees removed and provide screening to the south and west. Any

- plantings to the south should be appropriate for planting around overhead utility lines.
- g. Submit individual written statements from the property owner and applicant, or their authorized representatives, agreeing to the conditional use permit conditions, agreeing to remove the telecommunication facilities when they are unused, obsolete, or become hazardous, and agreeing to the city's right to assess removal costs under City Code Section 300.34.5(n).
 - h. Submit appropriate easements for location of and access to the proposed telecommunication tower and ground-mounted equipment. These easements must be prepared by an attorney knowledgeable in the area of real estate. They are subject to the review and approval of the city attorney.
 - i. The applicant must agree to the above conditions in writing.
- 4) The telecommunications tower/antennas must be painted "Winter Sky" or another color consistent with the color of the city's water towers, as reviewed and approved by staff.
 - 5) No more than one accessory building is permitted with the fenced enclosure.
 - 6) No advertising message or identification sign larger than two square-feet may be affixed to the telecommunications facility.
 - 7) The telecommunications facility may not be artificially illuminate unless periodically necessary to facilitate service to ground-mounted equipment.
 - 8) No telecommunication employees are allowed on the site on a permanent basis. Occasional or temporary repair and service activities are allowed.
 - 9) The applicant must obtain appropriate electrical and building permits prior to installation of the antennas.
 - 10) The city council may reasonably add or revise conditions to address any future unforeseen problems.
 - 11) Any change to the approved use that results in a significant increase in traffic or a significant change in character would require a revised conditional use permit.

All voted "yes." Motion carried.

B. Resolution endorsing the Hwy 7/101 Village Center Study

Gordon gave the staff report.

Allendorf said he questioned if the study would actually lead to something getting done that fits in with the outlined principles. He noted that the staff report indicated a meeting with members of the development community. He asked what their reception to the study was. Gordon said the meeting

was a good reality check. He said the reception from the three development groups was that the information in the study was on track with the direction for the area. There was an appropriate mix of retail and the evolution of housing was realistic. Visibility and access are needs for development. The area has a lot of potential. Community Development Director Julie Wischnack indicated the development community was very clear about the need for the city to lead the organizing efforts. Access was key for a development to come forward. Redevelopment probably won't occur without city action.

Allendorf asked about the city interaction with the Minnesota Department of Transportation (MNDOT) about the access issues. City Engineer Lee Gustafson indicated the reaction from MNDOT was slow and noncommittal but did not close the door. Any development along Highway 7 from the west border to the east border would take a partnership between the city and MNDOT. He noted a development would require leadership from the city to work with MNDOT to go beyond a simple concept drawing to flush out a concept plan that would be considered by the state.

Wagner said the reason the city has embarked on the village center studies was to take concrete steps going forward. The question now is what the next steps are. Does "leading" mean using the studies to show the city is aware of what the issues related to the area are and when the developer is ready, the city would take the lead or does "leading" mean taking a more active approach before any developer comes forward. Wischnack said she thought leading would mean being more proactive and making some of the concepts more concrete so developers could have a plan of action and knowing where the city and MNDOT stand.

Hiller said he thought council endorsement of the study wasn't enough and funding had to be identified as well as the EDAC's role. Another question was if the information was going to be used to be insistent that a potential developer follow the plan or if it was just a hope that a developer would follow the plan.

Wiersum said the discussion that led to the village center studies was based around what the city needed to do to be more proactive with key areas. He said he was encouraged with the report but he agreed the next steps had to be identified as well as the resources that would be required.

Schneider said he didn't think the city should be more prescriptive because the more prescriptive the city was the fewer developers would be interested. The focus should be on flexibility along with the established principles like support for regional funding and better access. The question was how to define being proactive. He said until MNDOT knows what

benefit it would see in improving the access at Highway 7 and County Road 101, the department would not be interested. The city needed to present an argument based on specific issues a potential user would face and the traffic demand clearly defined rather than just a diagram. Gustafson agreed and said the city's argument would be based on safety enhancements for the intersection. Wischnack said the staff could determine the correct timing was and when to approach MNDOT.

Dale Dobrin, 11135 Mill Run, said he co-owns the medical office building located at 17705 Hutchins Drive. He attended one of the planning sessions. He noted that his building was not included in two of the three plans that were presented and he wasn't clear what direction was being encouraged. He indicated the medical practice is not struggling and would like to continue to make a contribution to the community at its current location. Schneider clarified the visioning and guiding that was done wasn't meant to suggest that the city was going to redevelop the property.

Wagner said he supported the process that had been conducted. Wiersum noted a second study had been commissioned by the council and before the process for the next study begins, a review of what went well and what could be done better should be completed.

Allendorf said the council would welcome Dobrin and his partners to help the city be proactive in continuing to develop the area. He noted that Dobrin's and Park Nicollet's medical facilities were fine facilities.

Schneider noted that even though there are individual users that are viable within the center, the whole quadrant could use more dynamic integrated uses to make it a better place to visit. The study was part of the long term vision. How it evolves will be determined by the market place and the particular developers that become interested. He noted the timing for the Shady Oak area would be different due to the light rail station. There would be more immediate pressure to do something.

Wagner moved, Wiersum seconded a motion to adopt Resolution No. 2011-021 endorsing the Highway 7 / 101 Village Center Study All voted "yes." Motion carried.

C. Housing rehabilitation and down payment/closing cost assistance programs

Wischnack and Community Development Supervisor Elise Durbin gave the staff report.

Greves said she had raised a concern during discussions about the HRA levy on the administration of the programs. She said despite the cost of

the proposed administrator, she was pleased to see that duty would not fall upon the already busy city staff. She asked what other administrative entities were considered. Wischnack said staff contacted the entities they thought would be the best candidates to administer the programs.

Wagner said the process the staff and EDAC went through in establishing the programs was the process the council envisioned when it established the EDAC. He asked what types of renovations would be considered for the rehabilitation program. He suggesting including additions for potential consideration noting the city had older housing stock, much of which had flow issues compared to newer housing. He said that was part of the original intent the council had for the program. Another suggestion was to take into consideration the type of housing. He said the original intent of the program was not for rehabilitation of newer townhouses but rather older housing stock in need of renovation.

Wiersum praised the EDAC for its work and perspective. He said one of the more robust EDAC discussions was on the loan to value issue. There was a dissenting member who felt the 110 percent loan to value issue was what caused the whole housing crisis. Wiersum agreed with that EDAC member and said he would be more comfortable at 100 percent or less. He said his preference was to approve the programs with the understanding that over time improvements would be made.

Schneider asked how the "first come, first served" approach would be applied. He said he was concerned that if there was a lot of demand for the funds, the funds would be used up by the first 8-10 applicants. His preference was to receive all the applications and evaluate them based on where the best value would be for the funds and where the funding would be most effective to meet the city's goals. He asked if there were any pre-qualification criteria like requiring a lender's preliminary approval for the amount an applicant qualified for. Wischnack said the way the process for the Community Development Block Grants (CDBG) work is that first there is an advertisement notifying people of the program dates. First come, first serve applies to those who qualify. A similar method would be used for these programs. Durbin said when a person comes in to apply the city would ask for an application fee. She said what staff has seen with the CDBG program is that many applicants come in but eventually never move forward. By requiring an application fee, the applicants are more likely to be serious about the program. The fee would be used to cover the costs of a credit check.

Schneider said the first come, first serve approach would work for the renovation/rehabilitation funding. His concern related to the other program where it made more sense to use the funding to get the most benefit for the most number of homes. Wischnack said that could be a program

guideline. Wiersum said the criteria had to be objective. He agreed the first applicant may not be the best for the use of the funds but picking out of a pool of applicants could lead to issues of favoritism. Schneider said his experience with other programs had demonstrated ways to set up an objective scoring system. The challenge is to not make the process too cumbersome. Wischnack suggested for the first year not having too many criteria.

Hiller asked when it was estimated the \$200,000 budget would be used up. Wischnack said the idea would be to use the funds this year. Hiller noted that what was discussed that the programs would be ongoing but the funds had been built up over two years. He asked how the council could get a mid-year report to determine if the program should be ongoing. Wischnack said if the program was rolled out in the next month, there would be a good sense by August what interest in the program is. This would give the council information to determine what next year's HRA levy should be. Schneider noted that the program could be ongoing and depending on the activity level, a yearly decision could be made about if more money was needed.

Allendorf said the program's success shouldn't be determined by the amount of funding used. He said the program should be evaluated by looking at if the objectives were met. He didn't want the discussion to be that the HRA levy needed to be increased because there was a backlog of applicants rather than the levy needed to be increased or continued because the program's objectives were being met.

Wagner said his earlier suggestions were to get at Allendorf's concerns. The criteria should be targeted to meet the objectives the council decided upon. He said he would gauge the success of the programs based on a combination of factors including the demands that were being met and reaching the outcome objectives. Schneider said that was also why he suggested implementing a weighted scoring process.

Wagner moved, Wiersum seconded a motion to approve the programs with general direction to refine the criteria to reflect the council discussion.
All voted "yes." Motion carried.

D. 2011 Assessment Report

City Assessor Rebecca Malmquist gave the report.

15. APPOINTMENTS and REAPPOINTMENTS: None

16. ADJOURNMENT

Wiersum moved, Greves seconded a motion to adjourn the meeting at 9:07 p.m.
All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda
City Clerk