

**MINUTES
MINNETONKA CITY COUNCIL
REGULAR MEETING, MONDAY, MAY 2, 2011**

1. CALL TO ORDER.

Schneider called the meeting to order at 7:19 p.m.

2. PLEDGE OF ALLEGIANCE.

All joined in the Pledge of Allegiance.

3. ROLL CALL

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

4. APPROVAL OF AGENDA

Wagner moved, Wiersum seconded a motion to accept the agenda with addenda to items 13D, 13E, and 14A. All voted "yes." Motion carried.

5. APPROVAL OF MINUTES: April 18, 2011 local board of appeal and equalization meeting

Wagner moved, Greves seconded a motion to approve the minutes of the April 18, 2011 LBAE meeting. Allendorf, Greves, Wiersum, Hiller, Wagner, and Schneider voted "yes." Ellingson abstained. Motion carried.

6. SPECIAL MATTERS:

A. Proclamation declaring April 29, 2011 as Arbor Day

Greves read the proclamation.

B. Proclamation declaring May 15 through 21, 2011 as National Police Week

Wiersum read the proclamation.

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

Rich Spielberg, 5428 Glenavon Avenue, complimented city staff for the great job of snow removal in his neighborhood over the past winter.

9. BIDS AND PURCHASES: None

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

A. Ordinance regarding use of city identity

Allendorf moved, Greves seconded a motion to adopt Ordinance No. 2011-05 regarding use of city identity. All voted "yes." Motion carried.

B. Approval to install temporary signs on the Civic Center Campus for the Minnetonka Farmers' Market at 14600 Minnetonka Blvd.

Allendorf moved, Greves seconded a motion to approve three temporary signs associated with the Minnetonka Farmers' Market to be displayed on the Minnetonka Civic Center Campus. Signs may be displayed every Tuesday during the Minnetonka Farmers Market season through the 2016 season. All voted "yes." Motion carried.

11. Items requiring Five Votes: None

12. INTRODUCTION OF ORDINANCES:

A. Ordinance regarding telecommunications towers

City Attorney Desyl Peterson gave the staff report.

Wiersum indicated the current ordinance specifies that even with a stealth design antennas that have to be to the exterior of the monopole do not extend farther than three feet. He said that going in both directions and given the width of a monopole an antenna could potentially be sticking out seven to eight feet. He suggested considering a more restrictive distance for the antenna from the monopole. This would guarantee a more stealth design.

Schneider said he generally agreed a more stealthy design would be more appealing but sometimes it was subjective and depended on the context of the site. He noted the language in the proposed ordinance giving direction to telecommunication companies to use a more stealth design includes "as reasonably possible." This puts the burden of proof on the companies who have to prove there was no other way to make a three foot diameter while allowing the council to decide if a design was reasonable.

Allendorf suggested checking with a telecommunication expert to make sure Wiersum's suggestion would be workable.

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

13. PUBLIC HEARINGS:

A. On-sale intoxicating liquor licenses for Old Chicago restaurant, 17790 State Highway 7

Gunyou gave the staff report.

Schneider closed the public hearing at 7:33 p.m.

Wagner moved, Allendorf seconded a motion to grant the licenses. All voted "yes." Motion carried.

B. Precious Metal Dealer License for Minnesota Jewelry Buyers, 11900 Wayzata Boulevard, Suite 116K

Gunyou gave the staff report.

Schneider closed the public hearing at 7:34 p.m.

Greves moved, Wiersum seconded a motion to grant the license. All voted "yes." Motion carried.

C. Precious Metal Dealer License for Facets Fine Jewelry, LLC dba JB Hudson, 12637 Wayzata Boulevard

Gunyou gave the staff report.

Schneider opened the public hearing at 7:34 p.m.

No one spoke.

Allendorf moved, Wagner seconded a motion to continue it to June 6, 2011. All voted "yes." Motion carried.

D. Resolution vacating public drainage and utility easements at 16451 McGinty Road for Chad Winter

City Planner Loren Gordon gave the staff report.

Schneider opened the public hearing at 7:36 p.m.

No one spoke. Schneider closed the public hearing at 7:36 p.m.

Wagner moved, Allendorf seconded a motion to adopt Resolution No. 2011-034 which vacates the public drainage and utility easements.

Approval is subject to completing the following conditions:

- 1) Provide title evidence as required by the city attorney.
- 2) Record this resolution with Hennepin County. Provide the city with a recorded copy.

All voted "yes." Motion carried.

E. Ordinance amending Section 105.010 establishing ward boundaries

The council took no action on the item due to a state law change removing the requirement to adjust the ward boundaries prior to the legislative and congressional redistricting.

Hiller asked what the process would be once the legislative and congressional boundaries had been redistricted. Gunyou indicated the item would be re-introduced and a public hearing would be conducted before council acted on the proposed ordinance.

14. OTHER BUSINESS:

A. Items concerning construction of a 64-unit apartment building at 12708 and 12720 Wayzata Boulevard

Gordon gave the staff report.

Referencing the parking on the Bakers Square property, Wagner asked if the city would have the ability to rescind the parking if ten years from now there was redevelopment on the property. Peterson said future councils can always respond to requests to amend an approved plan. Wagner said during the process of working on the transportation study one of the more appealing pieces of the project was that there was a transit stop on Wayzata Boulevard for bus service. He asked if the area was being looked at for the circular service. Wischnack said that potential exists for the stop because of the housing to the north of the area. She noted residents could get on the bus going westbound at Plymouth Road and ride the express downtown.

Allendorf asked what the voting requirement for approval was given the comprehensive plan and guide plan change. Gordon said comprehensive guide plan change requires a supermajority vote but because of the affordable housing component in the proposal, a majority vote was

required. Greves noted the proposal would designate the area with a less intensive use. She asked if this would impact the timeline. Gordon said the comprehensive plan change was from a commercial destination to a residential designation. In terms of intensity from a trip generation standpoint, he said the intensity would be less. He said the city would likely receive approval from the Met Council to change the plan because it was consistent with the city's housing goals.

The applicant, John Duffy, 11900 Wayzata Boulevard, indicated he was present to answer any questions.

Wagner said he has been impressed with the proposal since the concept plan to now because what it allows the city to do with a challenging parcel. The proposal would assist with the housing goals.

Allendorf agreed with Wagner's comments. He said even though the comprehensive plan kept the area designated as commercial looking at the contiguous residential properties to the northwest and north, the proposal would fit in nicely as a transition.

Schneider said the parcel was great from a visibility standpoint but has been a challenge from a commercial standpoint because of the difficult access. He said the proposal was a good compromise to convert a challenging parcel to something that would be an asset to the city.

Wagner moved, Wiersum seconded a motion to adopt:

- 1) Resolution No. 2011-035 which approves the comprehensive guide plan amendment from commercial to high density residential for a 64-unit apartment building at 12708 and 12720 Wayzata Boulevard.
- 2) Ordinance No. 2011-06 which approves the master development plan with site and building plan review for a 64-unit apartment building at 12708 and 12720 Wayzata Boulevard.
- 3) Resolution No. 2011-036 which grants preliminary plat approval to the Sunset Hill Apartments subdivision, date stamped April 13, 2011.

All voted "yes." Motion carried.

B. Items concerning Hillside Memory Care at 5431 and 5439 Williston Road

Gordon gave the staff report.

Wagner asked how many votes were needed if the council decided to overturn the planning commission recommendation. Peterson indicated the only time a supermajority vote was required was when the action

taken by the planning commission was final action. In this instance the vote was to approve or overturn a recommendation by the planning commission so a simple majority would be needed. Wagner indicated if the council decided to approve the proposal he sensed staff wanted some direction from the council. There were two areas in particular he thought the staff report indicated some direction was needed. One was drainage and utility. A potential condition could be in order for approval and the applicant would need to meet the requirements. The second area was in the area of affordability of the housing. While there had been discussion about affordability none had been planned thus far.

Wagner noted that even if the council voted to approve the item would have to go back to staff to work out those areas. Gordon agreed a couple of steps would be necessary including coming up with some agreement about affordability. Even though the developer was not requesting public assistance, in order to secure affordable units that could be applied to the city's affordable housing goal, there would have to be some assurances and documentation from the developer that those units were included. He noted the EDAC would work on that issue to bring back a recommendation to the council. Wischnack indicated the proposal would not go back to the planning commission for further review. Schneider noted the assumption was being made that the only variable was the affordability issue. He indicated the council could decide to reduce the scope of the project. If that was the decision, the proposal would need to go back to the planning commission. Peterson said that typically proposals do not go back to the planning commission if the scope of the project is reduced but if that was the council direction the item could be reviewed again by the planning commission.

Allendorf suggested if the direction was to overturn the planning commission recommendation, then he wanted staff to come back with a recommendation on how to protect the southern part of the site. Gordon confirmed Allendorf had made that request at the last meeting. One recommendation would involve the preserved area shown on the plan's south lot. He said there would be a number of ways to accomplish this including an easement of some form.

Allendorf indicated he thought the elevation of the site pad was below the elevation of the property in front of it so it would be lower if viewed from Williston Road. He said the information in front of him did not show the same thing. Gordon indicated according to the survey the tree area was the highest point of the property. The north side slopes to the east while the south side slopes to the west. Allendorf said a potential objection to a building that was not a single family home was that it would not look like a residence. If the building was lower and had the proper architecture it would look like residential architecture.

Allendorf said the planning commission discussion included how looking at the view coming from the north to south on Williston Road, one would see houses on both sides and there was a residential feel to the area. If one approached from Excelsior Boulevard to the north there would be a commercial feel until passing the lot owned by Presbyterian Homes and then the view would be looking at a fence before entering the area with a residential feel. Gordon said the planning commission discussion about the use of the parcel owned by Presbyterian Homes was that the piece of land was unbuildable because of the slope.

Greves said Gordon had indicated during the development of the guide plan there was not discussion about these parcels. During council discussions there were different iterations of the project with a characterization that there had been discussion by the steering committee about the parcels with uncertainty about how to guide it. The discussion was there would be a "wait and see" approach that when a proposal came forward, it would be judged on its own merit. Her understanding was there was a past acknowledgement that something would eventually happen with the parcels but the decision was not to guide the parcels differently. Now staff was focused on low density, R1 development in the area. She asked for more information how things reached the current stage and if her understanding of the history was accurate. Wischnack said during the comprehensive plan review the steering committee talked about every village center, development proposals, and pending development proposals. She said this area was not the only area talked about. The approach taken was to not guide the area at that point in time. Time was spent reviewing criteria by which something would change the zoning. She said staff believed a broader redevelopment might make more sense for a re-guiding but it did not make sense to re-guide just the two parcels by themselves.

Michael Suess, one of the developers, said the project was environmentally friendly, would meet the goals of the guide plan, would have a very low impact and would make a great transition. He indicated there would be a full hydrocat to address the water runoff issue identified by staff.

Brian Lubben, Genesis Architecture, said the proposal solved a lot of problems that were identified with previous proposals. There would be a two story building with 46 beds. He said the proposal was for 20 percent of the 46 units to be affordable. He indicated the state's memory care vacancy rate was down to 3 percent and would continue to decline. The state's senior population is expected to double in the next 20 years. Minnetonka has a higher rate of elderly residents than neighboring cities.

Lubben said the proposed building's footprint would be around 13,000 square feet similar to a low density single family development and somewhat lower than a medium density development. The hard surface coverage would be around 28 percent, which would be significantly lower than a low density or medium density development. The floor area ratio would be .32, which would be a little bit more than a low density development but much less than a medium density development. The proposal would allow for around 20 parking spaces. A low density development would have 10-14 spaces. A medium density 20 townhome development would have around 40 spaces. He said the proposal would include nine affordable units. It is estimated the development would generate about 32 trips per day including staff coming and going, visitors, and deliveries. A low density development with 5-7 single family homes would generate about 50-70 trips, a medium density 20 townhome development would generate around 200 trips per day. Lubben also outlined the tree preservation and storm water runoff provisions of the proposal. He said the proposal would provide a transition between uses similar to other areas in the city.

Dan Kelly from Hillside Development said he worked with Peterson years back to negotiate an agreement on the affordability aspect for a proposed assisted living facility. The agreement may need to be tweaked but major changes should not be needed. He noted that when there was the proposal for an assisted living project the 2005 staff report indicated the site was appropriate for senior housing and the site would provide a transitional area from the commercial area to the south and the EDA found the Glen Lake area was appropriate for greater densities. The city planner told the planning commission that staff felt higher density on the site would be appropriate however a project that would preserve more trees and be smaller than 250 feet in width would provide a better transition into the single family area. He said the proposed project addresses the concerns raised about mass and size and tree preservation from the 2005 proposal.

Kelly said the staff report focused on the single family housing to the north and ignored the hardware store to the south and the existing residential housing across from the commercial business. He said the proposal would provide transition by adding a building that would be residential in character and feel. He added the sidewalk would help integrate the area with the commercial area and the rest of the Glen Lake development. The sidewalk would be at a 6.5 angle which is different from the 13 degree angle indicated in the staff report. He agreed with the staff report information saying the development would not be fully integrated into the high density area to the east but said what was more important was the transition that it would provide.

Hiller asked what the elevation was going from the hardware store to the doorway of the proposed development. Gordon indicated the elevation was around 25 feet. Hiller noted that elevation already provided the transition between the commercial and residential areas.

Wagner questioned the low and medium density information in the power point presentation. Gordon said low density is defined as up to four units an acre. The medium density range is from 4.1 units to 12 units. High density would be more than 12 units.

Robert Reed, 14848 Cherry Lane, noted Williston Road had been redeveloped a few years ago and one of the objectives was to address some of the high hills to make the road safer. He said there had been no discussion about traffic safety related to this proposal. Adding increased traffic at the critical part of the road was a concern.

Deborah Peteler, 15124 Peteler Lane, said the building looked fine but she believed it didn't belong in the proposed location. She said adding traffic was a concern. During the past winter there were several accidents and near accidents because of the icy road conditions. She questioned if the city needed more memory care units. She also asked who would be running the facility and if that entity had the knowledge to run such a facility.

Frank Wilcox, 5225 Lee Way, said he was against the project. He has lived in the Glen Lake area for 26 years and has liked the changes he has seen. His concern was increased traffic on Williston Road. He said the area was too small for the type of proposed development and the look of the facility would change the look of the neighborhood.

Carol Adkins Johnson, 14849 Cherry Lane, said she has lived in the area for two months. She purchased her home by taking a serious look at the neighborhood and said she was alarmed that the development was even being considered. She too was concerned about increased traffic and the slope of Williston Road. She said she was also concerned about the institutional look of the building.

Jason Ulett, 15012 Cherry Lane, said he agreed with his neighbors' comments. He has two small children and safety was his biggest concern. His family supports the businesses in the area and he didn't see the need for transition from commercial to R1 because of the elevation change. He said the development would establish a precedence of changing an R1 to something else in an R1 area and could allow others to come in and make the corridor more commercial.

Ann Flanagan, 15024 Cherry Lane, said she agreed with her neighbors' comments. There were aspects of the proposal that were good but she was concerned about the height of the building and the traffic concerns.

Becky Lindsey, 15139 Lynn Terrace, said she was opposed to the proposal and agreed with her neighbors.

Lubben noted the homes on the lots were already vacant when the developer purchased the lots. He said the grade transition created a problem for any new homes on the site that would overlook rooftops of commercial properties. He said the MNDOT website indicated currently there are 3800-3900 cars per day. Streets like Willison Road are designed to handle 10,000-12,000 cars per day. Adding 40 trips per day would add less than one percent to the current traffic. The development's driveway was moved north and to the center of the site to keep it away from Peteler Lane. The driveway would be around 200 feet from Peteler Lane and 300 feet from the intersection of Williston Road and Excelsior Boulevard and 300 feet from Cherry Lane. He said the slope of Williston Road may seem steep but it fit in the acceptable range.

Greves asked Lubben to breakdown the 32 to 40 trips per day. Lubben said usually there would be an a.m. peak hour and a p.m. peak hour but in this case because the shifts are staggered throughout the day, those peak hours would not exist. This would mean more distributed trips per day count. Garbage pickup would likely occur two to three times a week.

Allendorf asked City Engineer Lee Gustafson what he thought the trip generation from the facility would be. Gustafson indicated he agreed with the 32-40 trips a day given the type of facility.

Wiersum said he would like a better understanding of the facility's staffing number. He also asked staff to comment on the project's location given the slope of Williston Road. Suess said there would be 8 to 10 employees during the day and ten during the p.m. shift. There would be two garbage pickups, and three food deliveries. Typically there would be three to four visitors a day. Wiersum indicated that would amount to over 40 trips because an employee arriving at work and then leaving counts as two trips. Gustafson agreed. He also indicated there still had to be a determination of the exact location of the driveway. He said the slope on Williston Road had been improved but would never be perfect.

Allendorf asked if it was correct that there were 4,100 trips a day on the south side and the project would add around 80 trips. Gustafson confirmed that was correct.

Wagner suggested the council should start its discussion with looking at the proposed land use change. He agreed with Hiller about the natural transition in the area due to the slopes. He said the Glen Lake area will continue to redevelop and the question he was struggling with was if single family housing made sense for the property because that was what it was currently guided for. He questioned if a broader redevelopment occurred if the proposal would help or hurt in that redevelopment. If this project was not what the council wanted for the area, then the question remains what should be done. He said he thought the city was approaching senior saturation in the Glen Lake area. This conflicts a little bit with the goal of having a strong retail environment. He indicated he had informed the developer and staff that he was not as passionate for this project as he could be but he wanted to know what the rest of the council was thinking. Schneider agreed it was a good idea to discuss what conceptually should be done with the property.

Wiersum said he has never been comfortable with changing the land use as the various proposals have been discussed. He remained unconvinced even having a better project on an inappropriate property. He said the lots weren't very good and the 1.84 acre size would make it difficult to do anything good. Even though there was incremental improvement with the proposals, he thought all of them were inappropriate for the land. He said he couldn't answer the question what should go on the property but that wasn't his job. His job was to determine if the land use should be changed and if so, what would be appropriate for the property.

Allendorf noted that one of the planning commissioners asked a city planner if she would change the designation from R1 and the planner indicated she would not make that recommendation. He noted Gordon had indicated that staff could recommend a land use change if it was part of an integrated redevelopment. He questioned if that meant that if the hardware store was closed commercial redevelopment would be allowed all the way around the corner from Excelsior Boulevard. He said he thought the neighbors would be highly opposed to that type of redevelopment. He said the process for this proposal was similar to the lengthy process for the tree ordinance. There have been previous versions brought before the council over the past few years and the council indicates that if certain changes were made, it could possibly be considered. He suggested that the council make a final decision about if it would approve anything other than residential homes on the property. He said given the proposal would add around 80 trips per day he didn't think traffic concerns should be the driving issue.

Hiller agreed that the decision process for the property has gone on for awhile and that people agree that the current houses should come down. He said a key thing to keep in mind was that the area was a residential

neighborhood. The decision wasn't about putting in the most benign buildings as possible because even if a small office building was allowed it would change the feel of the neighborhood from residential. He said he could see allowing a medium density development that would maintain the residential feel.

Greves said she agreed with Allendorf's comments. She said in trying to decide if the development would help or hurt future redevelopment, she was nervous about the possibility of commercial development creeping around the corner as part of a larger redevelopment. She indicated she thought the proposal met many of the city's goals and objectives in the comprehensive plan. She thought the proposal would provide a good transition that would prevent future commercial creep because it was residential in feel and that it was low density and low impact in its feel. Footprint and traffic-wise the intensity of use would provide a lower impact than what potentially could go on the property. She said a poorly designed medium density project could have much more of an impact on the site than a well designed high residential facility like the one proposed.

Ellingson said he agreed with Wiersum and Hiller's comments. He has been concerned about over-development in Glen Lake and was concerned about the high density buildings already in the area.

Schneider said he agreed with Wagner that he couldn't get excited about what was proposed but there were alternatives that could be a lot worse. He noted the residential neighborhood was already adjacent to commercial and high density properties. Town houses might work but could create footprint and traffic issues. He said the proposal wasn't for 46 units but for 46 residents. A typical townhouse development with three bedroom townhomes would create the same density. Allowing 16 townhouse footprints on the site would have a huge impact on the site. He said the proposal was a low impact development but that was offset because it wouldn't necessarily support the residential neighborhood. Visitors to the facility could be beneficial to the businesses in the area. He agreed with Greves that the proposal might have the ability to prevent commercial creep while adding something with low impact. He said he would error on the side of leaning toward supporting approval but he wasn't sure if 46 units was the correct number. The prospect of a guaranteed 20 percent affordability helped the proposal but the costs of the services provided by a memory care unit might affect the affordability.

Wagner said the council seemed to agree that the idea of an integrated development would not include commercial development that went further than what currently exists. He said someday the corner where the hardware store is located would redevelop. He questioned if that area redeveloped how the proposal would play in with that redevelopment. One

view would be it would block future redevelopment to the north. At the same time the corner was a hard location to redevelop. Schneider said staff was looking at a more comprehensive development rather than an integrated development that would include all the remaining parcels on the east side of the road. He agreed there was merit to that but suggested combining the bigger rectangular parcel with the remaining parcel to the north and combining the smaller rectangular parcel with the hardware store property and then there would be a legitimate redevelopment parcel. This could create the ideal solution. Wagner agreed but said he struggled with the decision because he didn't see townhomes fitting on the site.

Wiersum said townhomes could be built but likely would not sell given the market. He said there were unfortunate set of circumstances surrounding the two parcels. If a transition was desired from the hardware store, a group home could be put on the smaller parcel without council approval. If this happened a further look at what was appropriate for the larger lot could occur. He said he was concerned about allowing commercial creep into the residential neighborhood given the R1 designation and he felt like the council was feeling compelled to solve the problem when it wasn't its responsibility to solve the problem. His preference was to keep the R1 designation. Schneider agreed the council wasn't responsible for solving the problem but it was responsible for determining how the area is guided. He said he didn't accept the idea the parcel was a standard single family lot parcel.

Allendorf said integrating the small parcel on the south with the hardware store's parcel for redevelopment would bring commercial development around the corner. He said the proposal would give the city a development on the larger parcel that would not be intrusive. Something like a conservation easement on the smaller parcel would provide a buffer to the neighborhood. To not do that would mean the council was agreeing to keep the area designated R1 and likely nothing would happen in the foreseeable future. He said he thought the proposal was a good development that would be low impact and wouldn't add adverse consequences to Williston Road.

Hiller said if the proposal was approved it would be logical that the adjacent properties might also then have a similar development occur. This would take a large area out of the residential neighborhood.

Allendorf moved, Greves seconded a motion to overturn the planning commission's recommendation denying the request.

Gordon said if the council decided to take a different approach from the staff recommendation, staff would ask the council to table the item and direct staff to prepare resolutions to approve the project. The resolutions

would include detailed provisions that the council wanted including the affordability requirement.

Wagner said he was concerned about the impacts of allowing something other than R1 development on the site. If a goal was to help the retail in the Glen Lake area then the number of senior units in the area was a concern. Wischnack said within a half mile of the proposed development the average age of residents 55 years old or older was 66 percent. Within a quarter mile 73 percent of the residents were 55 years old or older.

Schneider agreed there was a lot of senior housing in the area but the vast majority of housing was for independent living. A great minority was for memory care. Wischnack noted in the new St. Therese facility there were 24 units for memory care included with the 66 assisted care units. Beacon Hill has some assisted care units as well.

Wagner said he was raising the issue because of the recent council discussion about pooling TIF and using the funds in one area or spreading out the use in other areas. Schneider said if a goal was to provide a housing alternative for aging residents to remain in the city then it was unlikely that would occur in the middle of a residential development. Hiller said while there was a demand for senior housing the council had to keep in mind that there was not housing for the people who work in the city. He agreed there was a legitimate concern about all the senior housing in the area and the impact on retail in the area. Allendorf said other types of housing have been provided. He cited the apartments in the Glen Lake area that have been successful. He said he believed that there was a need in the community for memory care units based on the information Lubben provided.

Wagner said he would only support the motion if the bottom property was isolated. He was not comfortable with making it an easement. He said he would like staff and the developer to work on something that would allow the city to control that property. He said future redevelopment would likely occur and although he did not want commercial development to creep up farther north he also did not want to block something that might need that property to proceed. Schneider indicated this would mean if the bigger box was approved to develop for this project Wagner's suggestion would stop anything from going further north. The small parcel would be preserved as an open area but available for commercial development if the council thought it made sense in the redevelopment of the hardware store site. Greves said the developer indicated at the previous meeting that they would be open to a solution for the south parcel. Wagner agreed but said that didn't mean the developer agreed to give the parcel to the city. Allendorf said Wagner's suggestion would be consistent with what he wanted to prevent. He wanted to prevent the developer from putting in

something like a medical facility on the parcel. He accepted Wagner's suggestion as a friendly amendment to his motion.

Gunyou said the effect of the motion would be to table the item and to take the item back to the EDAC for review due to the affordable housing provision.

Allendorf, Greves, Wagner, and Schneider voted "yes." Ellingson, Wiersum, and Hiller voted "no." Motion carried.

Schneider called a recess at 10:21 p.m. He called the meeting back to order at 10:33 p.m.

C. Concept Plan for Minnetonka at One Sixty Nine at 9731 Minnetonka Blvd.

Gordon gave the staff report.

Wagner asked for confirmation on the slope on the back side. He asked if it would be six stories in the front and eight stories in the back. Gordon indicated the creek side walkout would likely drop another 15 feet.

Joshua Aaron, Westside Developers, said he was excited about creating the gateway to the city and the idea was to create the best possible project that would complement the neighborhood, the community and the city at large.

Greves indicated Aaron told the planning commission that he would be meeting with the watershed district. She asked if that meeting had taken place. Aaron said the meeting would occur in the near future.

Allendorf asked the height of the proposed building. Gordon indicated it would be a six story building. Allendorf noted the plan was for commercial businesses on the first floor. He asked if the first floor would be street level. Gordon said that was correct. Allendorf indicated there would be six stories on the south side entering the city. He asked what would balance that on the north side entering on Highway 169. He said currently one would see the six story building on one side and a gas station on the other. Gordon confirmed that would be what would be seen as of today. Allendorf said it was his experience that retail on the first level with five levels above worked if there was some synergy going on around the building. Retail in the plan relied on people coming into the building. He asked if the retail would be similar to the building in Glen Lake that included businesses like dry cleaners and barbershops. Aaron indicated neighborhood service retail was what was envisioned.

Ellingson noted earlier in the evening the council approved a 64 unit apartment unit on Wayzata Boulevard. He noted during the process the developer was asked by the planning commission about including retail on the first level. The developer indicated he could not get financing for an apartment building that included retail on the first floor. Ellingson asked how realistic this plan was in the current market. Aaron said it made sense for this development given its location. He said he didn't see financing being an issue noting a similar project in St. Louis Park that has done very well with 100 percent occupancy. Ellingson said there is a lot of retail vacancy in the Excelsior and Grand facility in St. Louis Park. He also noted there was retail vacancy in the center across from the hardware store in Glen Lake. Aaron indicated there was a lot of interest in the proposed site already.

Greves noted that one of the reasons the synergy is so good at the Exchange building in Glen Lake was because of the dining option that was available. She asked if a dining option had been considered for this project. Aaron said the leasing agent had mentioned some type of sit down restaurant would make sense. This would require a lot more parking spaces.

Wagner noted the site was a challenging site including the need for underground parking that would require cantilevers in order to meet the hard cover surface standards. Carl Robertson, an architect, said the only cantilever that would be necessary was on the west end.

Allendorf asked how Aaron and Robertson felt about a potential boat landing on the site. Robertson said the idea was something that needed to be worked out with the watershed district. The canoe landing would be south of the property so however the crossing was designed across the property would have to be worked out with the watershed district. Allendorf asked if the west end was prohibitively steep. Robertson indicated there were some possibilities following along the road and the location where the creek came underneath the road.

Wiersum said the project was intriguing but the property was challenging. The most significant aspect of the project was the proximity to the creek and the benefit that was represented. He said he was concerned about the setbacks. He always liked the idea of mixed use and said he would trust the opinions shared about including retail but noted that would be a challenge to make work. Another concern was the size of the proposal given what currently exists in the area. Robertson noted the property on either side of the project would never be developed. The building would approach the east property line.

Wagner said the area has been looked at in the past with significant proposals that didn't pan out. Given the location, he said the look of the development was more important to him than other developments. He had concerns with a six story building on the site and viewed a proposed building with having two front sides, one from the creek and one from Minnetonka Boulevard. Robertson said as an architect he didn't like designing buildings with any backsides.

Looking at a drawing of the proposed building Allendorf said the rectangular building of such size didn't seem right. He said somehow it should appear not so massive.

Ellingson asked if the city had a height limit for buildings such as the one being looked at. Gordon said the zoning would be the driver. The area would likely need to be rezoned to something requiring a planned unit development because of the mix of the uses. Schneider said whatever the city thought made sense could be worked through. Robertson said there would be an issue of the combination of parking and building codes and the structural type would be self limiting. He noted the drawing showed the building as big as it could possibly be.

Ellingson indicated the Minnehaha Creek Watershed District bought an apartment building in Hopkins with plans to tear it down. He asked why the district would want a building next to the creek when it would encroach on their setback. Robertson said he couldn't speak for the district but it was his understanding the district was interested in the possibility of something positive happening on the site that could be partnered with to create the gateway to Minnetonka and down through the creek. Schneider said his understanding of the Hopkins acquisition was for rerouting of the creek and there would be benefits like storm water ponding and access.

Greves said she had concerns about the mass and size of the proposal. She agreed with Allendorf about the design. Her preference would be to stay out of the city's buffer zone. The storm water management and runoff issues would be a big consideration for approval. She said she would like to see as much incorporation of management practices as possible. She noted the planning commission had quite of bit of discussion of the amount of traffic on Minnetonka Boulevard in the area and potential access to the site. One idea mentioned was including an access lane. Robertson said the concern had been noted and he thought the access lane was a good idea.

Wiersum said anything that could be done to make the building as green as possible would be viewed favorably because it would make it more consistent with the natural area. Robertson said that would be looked at.

Wagner said the proposed size was probably too big for him to look at favorably. He also agreed with Wiersum's comments.

Schneider said when he first saw the elevation of the building he wondered how the building would fit on the site. If the parking and setbacks could work he would be more inclined to be open to the proposal. He liked the idea of varying the height of the building. He asked that the developers work with the watershed district to look at the plantings along the buffer area so that someone down at the creek would look through vegetation that would screen and filter the building.

Ellingson noted a few years back there was a proposal for an eleven story facility on Gizmo Lane. He said he understood the point of the proposal since there were tall buildings along the Highway 169 corridor. He didn't see a tall building fitting into the Minnehaha Creek corridor. Robertson said the building would be a good distance from the creek because of the size of the wetland.

D. Concept Plan for Toll Brothers at 100, 116, 118, 200, 220, 302 Parkers Lake Rd. and 15545 Ranchview Court

Gordon gave the staff report.

Alex Martin, division vice president from Toll Brothers, said his company typically builds homes for first and second time single family move up homebuyers. The product usually is higher luxury end community development. He said the company builds communities not homes. When the site was first identified the guide plan was examined and the area was guided for five units per acre. The original concept plan was designed for the best and most logical use of the property. The plan included all single family homes. Several factors were used to evaluate the site from a design perspective. The first was the connectivity to Ranchview Court. The second was an existing slope that moves into the wetland to the southwest. The third was the existing trees of high value and high grade. Finally the existing topography was looked at. All the factors would make it difficult to conform to the existing guidance. The plan that was brought forward conforms and respects the existing guidance. He said there were over 30 people who attended the neighborhood meeting.

Greves asked Martin to discuss other alternatives to the through street to Ranchview Court. Martin said due to the topography of the site having the road to the north was a must because it had to connect with Ranchview Court. The original plan included a cul de sac but after meeting with city staff it was noted staff preferred to see Ranchview Court connect to the parcel. He said some of the neighbors suggested the cul de sac be located further to the west.

Schneider said historically the guide plan has always had some form of connection between the west and east because of the size of the property.

Wagner noted if the idea was for single family homes there was no park land in that part of the city. He asked Martin for his thoughts on integrating some park components with the development. Martin said that feedback was received at the neighborhood meeting and the planning commission meeting. The two wetlands on the site are a high value wetland and probably would remain part of the site. The setback requirements would require a large buffer. He said his idea would be to enhance the area and because this can't be done with structures, passive features and amenities must be used. He agreed a park was a possibility. There are a multitude of options but what can be done will be determined by the design.

Wiersum noted the area was guided mid-density so the proposal would be less than that. He asked the approximate size of the adjacent areas to the north and west. Martin said the cul de sac north of the northern wetland was about 12,000 to 15,000 square feet. The area to the west was about a half acre.

Wagner said the plan's price point for entry level homes was around \$490,000. He said typically when something is guided mid-density the city looks for some level of affordability associated with the project. Because Toll Brothers does not do affordability he noted the council had a high desire for a varied housing stock that does try to get entry level buyers into the city. He said \$490,000 would be at the upper level for entry level buyers. He encouraged the developer to have some level of price diversity within the property. Martin said typically Toll Brothers prices its units so they are attractive to a broad base. The economics of land values in that area of the city would drive the home price making affordability unlikely. Typical homes in the area are around \$700,000. Wagner noted the economics of the site drove the desire for higher density.

Schneider said the area had been guided mid-density for quite some time with the idea of more diversity rather than affordability. Wagner agreed he would rather have diversity. Martin said there would be two ways this could be accomplished. One would be to split the area into two sections geographically. The other would be to mix lot sizes that would define the size of the homes. Wagner said he preferred a blend within the site. Schneider said there were natural triggers citing the lots along the wetland as being premium lots. The lots along the road won't be as attractive or desirable so those might be the ones that are the smaller lots. Wiersum agreed with Schneider.

Schneider said he would not want to see all single family large lot sizes because that would destroy the whole benefit of the site.

Wischnack asked if the council was comfortable with the senior component as part of the overall plan. Wagner said he was comfortable with high density that did not have to be senior housing that would be included in the master development plan.

Greves said there had been much discussion about cut through traffic. She suggested looking at ways to get more creative with the streets.

E. 2012-16 Capital Improvements Program

Gunyou gave the staff report.

Allendorf moved, Wiersum seconded a motion to adopt Resolution No. 2011-037 adopting the 2012-16 Capital Improvement Program. All voted "yes." Motion carried.

15. APPOINTMENTS and REAPPOINTMENTS:

A. Reappointment of Brad Wiersum to the police advisory committee

Wagner moved, Hiller seconded a motion to reappoint Brad Wiersum to the police advisory committee, to serve another term as the city council representative effective May 2, 2011 and expiring on October 1, 2012. All voted "yes." Motion carried.

16. ADJOURNMENT

Wiersum moved, Wagner seconded a motion to adjourn the meeting at 11:27 p.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda
City Clerk