

AGENDA
CITY OF MINNETONKA
SPECIAL STUDY SESSION
MONDAY, AUGUST 1, 2011
5:30 P.M.
COUNCIL CHAMBERS

1. Boards and commission interviews
2. Recess the special study session in order to convene the regular city council meeting
3. Reconvene special study session in the Shady Oak room after adjournment of the regular meeting
4. YMCA redevelopment plans
5. Housing Improvement Area overview and evaluation criteria
6. Adjournment

Additional Information
Study Session summary March 21, 2011
Study Session summary April 11, 2011

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. While all meetings of the council are open to the public, study session discussions are generally limited to the council, staff and consultants.

**City Council Study Session Item #1
Meeting of August 1, 2011**

Boards and Commissions Interviews

Background

The following openings exist on city boards and commissions:

- Park board – 1 adult position, 1 student position
- Police advisory board – 1 position
- Lake Minnetonka Conservation District – 1 position
- Bassett Creek Watershed District Mgmt. Commission – 1 position

Five candidates will be interviewed during the meeting. The list of the candidates to be interviewed at this meeting is shown below. They will last approximately five to eight minutes each. Each applicant will be asked to give a brief (about three minutes) presentation of his/her background. Then the applicant will be asked to respond to questions from the council. The applicants may also ask the council any questions they may have at that time.

Interview Candidates

Last Name	First Name	Ward
Evenrud	Nelson	4
Hayden	Brenton	4
Millner	Jacob	2
O'Reilly	Tom	4
Shuff	Sue	3

Submitted through:

Terry Schneider, Mayor
John Gunyou, City Manager

Originated by:

Karen Telega, Administrative Assistant

**City Council Study Session Item #4
Meeting of August 1, 2011**

Brief Description YMCA Redevelopment Plans

Comprehensive Plan

The city adopted the comprehensive plan in 2008. The plan developed the concept of village centers as a way to define the sub areas of the city. Each area has specific priorities for redevelopment or additional development. There are three main themes in the plan as it relates to the Ridgedale Village Center:

Regional Village Center

“Committed to maintaining and improving the economic strength”

Despite the current economy, commercial property in the Ridgedale area has adjusted fairly well. There have been some vacancies, but overall, redevelopment/reuse is occurring. Whole Foods, Goodwill, car dealership improvements, Duffy apartments, and ToysRUs are a few examples of reuse of properties. These are signals that there is continued strength in this regional market but because of its age, it is expected that Ridgedale Mall will undergo major redevelopment within the next 20 years. The proposed YMCA project could be a first step in accomplishing larger redevelopment in and around Ridgedale.

Pedestrian Connections/Major Redevelopment

“Mixed uses with the intent of providing a more pedestrian-scaled transition between the public uses in area and residential areas south of the Mall”

The Ridgedale area has the unique benefit of having both access to services and access to natural features, Crane Lake. The ability to integrate redevelopment of sites into an existing network of transit, trails, and commercial amenities is truly a unique opportunity. The proximity of this redevelopment site to these amenities, including the library and government center, make a project, which includes housing, an appropriate land use. The mixing of uses on the site allows for the site to have a certain synergy internally, and benefits the senior living because of the support services readily available.

Housing Diversity and Density

“Residential uses will be considered within this mixed use area to provide additional housing opportunities and enhance vitality within the area. “

As the city attempts to diversify its housing stock, it is important to note, there are not many senior housing choices in the immediate area. All senior living complexes are

located north of 394 and not within walking distance of the Ridgedale subarea. Additionally, affordable, senior housing is a greater need throughout the city.

The proposed redevelopment of the property would include: 150-175 units of senior housing; 12,000 square feet of medical office and a new 50,000 square feet for a new YMCA. This project does provide increased density for the area, however, it is not the most dense project the city has considered. The following chart provides comparative data for other projects in the city:

Project	Density
Ridgegate: to the east	15 units per acre
Exchange	23 units per acre
Sheraton: if it were considered residential	24 units per acre
<i>Proposed YMCA with Senior housing</i>	<i>24 units per acre</i>
Duffy Project	38 units per acre
St. Therese	59 units per acre

Comprehensive Plan Analysis

Staff believes this project meets the major goals set forth in the comprehensive plan. It is beneficial for redevelopment to take place in areas where businesses are thriving and major infrastructure improvements are not required to allow the project to proceed. The proposed affordable senior housing and increased density of the site support many goals identified in the comprehensive plan.

Financing

Because the project involves a non-profit and for profit entity, the financing of the project is complicated, in that there would be portions of land sold to other parties, other than the YMCA. Theoretically, there would be three properties, one of which would remain under the ownership of the YMCA and remain tax exempt. The other two properties would be transferred to a senior housing developer and a medical office user.

Because of the location of the property, in a regional center, and its accessibility to other services; the property is highly valued. This fact, along with the complications of removing the existing YMCA building coupled with providing affordable housing, creates the need for assistance with TIF as well as other sources such as TIF pooling and grants. The developer estimates the financial gap to be between \$5.5 and \$6.2 million.

Tax Increment Financing

The development is proposing to utilize a Housing Tax Increment District. This is a 26 year district that requires affordable housing. At least 20% of the units must be affordable at 50% of median income or 40% of the units at 60% of median income, adjusted for family size. A housing TIF district could generate between \$2.2 and \$2.8 million. The disparity in the numbers is related to how the TIF note is financed and the

terms by which it is financed. This project may qualify for a redevelopment TIF district, but a full investigation of the existing YMCA building has not been completed. The type of district does not change the dollars available, but it changes how the funds can be used. In a housing district, the funds are directly related to the affordable housing component.

TIF Pooling

During last year's budget review, the council considered the pooling available from the Boulevard Gardens (West Ridge Market) TIF area and committed to using excess TIF dollars, through a pooling process which equals approximately \$6 million until 2021. The remaining TIF dollars are then returned to the county which refunds approximately \$300,000 to the city's general fund. As the council is aware, a policy was adopted by the council to weigh requests to utilize pooling dollars. Below each italicized item is an evaluation of the project with respect to that criterion:

The project supports reinvestment in an identified village center and addresses the goals set out in the comprehensive plan for that center.

This project would equal approximately \$36 million dollars of reinvestment into the Ridgedale Regional Center. This regional center will transform over the next 25 years, as the properties are aging and in need of redevelopment. The plan also promoted mixing of uses, which the proposed project provides.

Priority will be provided for projects that are within a "regional" village center or support transit areas.

This project is located in a regional center but, in addition, has access to transit. There is one local and one express route that have stops adjacent to the site, and six routes within one mile of the site at the Plymouth Road park/ride and County Road 73 park/ride.

Weight will be given when the proportion of affordability is greater than what is customary in other tax increment financed projects in the city, overall affordability of 20% of units (usually at 60% AMI for rental).

Because this is also a requirement of the Housing TIF District, this has been met. The income and rent limits would be at 50% AMI—lower than what is customary for rental.

The project may request both tax increment financing and pooling dollars as long as the project has provided data that "but for" the additional pooling dollars, this project would not occur.

It is apparent that there is a need for the TIF and pooling dollars in that there is a gap. The discussion about the use of these tools centers around what is the maximum amount the city is willing to consider as publically financed dollars with respect to the gap identified in the developer's information. The maximum pooling participation could

be based on unit subsidy and/or the total percent of project. The per unit theory would be: if the city has \$5 M in pooling dollars and \$1.6 M in the livable communities account and the city has committed to build 195 more affordable units by 2020; this would equal about \$33,846 per unit of affordability or in the YMCA's case about \$1,015,384. There could be an additional \$200-300,000 added for the fact that this is being developed with "support" services like the YMCA building and the medical office. Another reason would be that it would be a non-profit, for-profit, public partnership. The second theory about participation is the overall percentage of city financing as it relates to the value of the project or a per unit per year subsidy. The attached exhibit (See page A1) shows this project would have an 11% participation percentage as it relates to the value of the project and a \$4,444 per unit per year. The percent of the value of the project is not unreasonable, but the per unit assistance is higher.

If the project is receiving funds from other sources, the pooled dollars would be the last source utilized unless it impacts other sources.

This could be a condition within a development agreement. The two grant funds the city has applied for were the Livable Communities Demonstration Account (LCDA) – \$1.5 million and the LAAND loan fund for \$1 million, which is a loan for cities to hold land while redevelopment occurs; if there is a timing challenge with the pieces of development.

Questions:

There is a mix of housing, medical and non-profit use of the site, which staff believes is consistent with the Comp Plan. Does the council agree?

Staff would propose a total of \$4 million between TIF and Pooling based on the fact that the use of pooling meets the policy and the city would have a predictable participation rate for future projects. Does the council agree with this analysis?

ASSISTANCE TO OTHER AFFORDABLE HOUSING PROJECTS

City participation to select affordable housing projects

Name of Project	Year Built	Number of Affordable Units	Total TIF/city participation	Total Market Value*	% TIF/city Participation	TIF/city Participation per Affordable Unit	Years of Affordability	Participation per Unit per Year
Glen Lake	2008-2011	43	~\$2,660,000	\$28,330,000 (Exchange and St. Therese only)	9% (Exchange and St. Therese only)	\$61,860 (All affordable units)	30	\$2,062 (All affordable units)
Duffy Development (proposed)	2012	48	\$1,050,000	\$5,120,000 (Estimated)	20%	\$21,875	30	\$729
YMCA (proposed)	2012+	30	\$4,000,000	\$36,400,000 (Estimated)	11%	\$133,333	30	\$4,444

Glen Lake public participation: City, DEED, Hennepin County

Duffy Development public participation: City, Hennepin County, Minnesota Housing/Met Council/Family Housing Fund

Note about Duffy Development public assistance: This calculation does not include tax credits

YMCA public participation: City, Met Council?

City Council Study Session Item #5 Meeting of August 1, 2011

Brief Description Housing Improvement Area overview and evaluation criteria

Background

The 2008 Comprehensive Plan update and the ULI/Regional Council of Mayors Opportunity City program both identified that the city's housing stock is aging and is something that needs to be addressed. Because of this, maintenance and repair is needed in order to keep these homes in adequate condition and to preserve neighborhood character. As part of the city's Housing Action Plan, adopted by the city council and submitted to the Metropolitan Council in 2010, preservation of existing owner-occupied housing was identified as a goal of the city.

Nearly 20% of the city's housing stock (4,461 units) is owner-occupied multi-family units such as townhouses and condominiums. Page A1 provides a list of these units, their age, and number of units. In summary, by construction year,

Pre-1970: 180 units (4%)
1970-1979: 1,217 units (27%)
1980-1989: 1,914 units (43%)
1990-1999: 649 units (15%)
2000 and later: 501 units (11%)

The average age of townhouses in Minnetonka is 21 years and the average age of condominiums is 25 years—time when major repairs are coming due. These repairs, many times, are items owned “in common” amongst all of the owners in the townhouse or condominium association, such as roofs, elevators, and boilers. This then makes the association responsible for the repair, and the financing of the repair.

Currently, most homeowner's associations collect a monthly fee, part which finances day to day operations (such as snow removal), and part of which is placed into reserve for repair/replacement of the common areas. While this practice is common now, such was not the case during the 1970's and 1980's, a time when 75% of the city's townhouse and condominium associations were formed. It was with the rise in professional management of these associations in the 1990's and 2000's that led to a more sophisticated and organized management of the fees and the repair/replacement of common areas items. As staff is learning, some associations that lacked this professional management are now having trouble financing major repairs that are due.

Most recently, the Cedar Ridge Condominiums, located on Cedar Lake Road, submitted a petition for the establishment of a housing improvement area for repairs, including roofs, elevators, decks, and other items that are required for regulatory compliance. Because of the urgency associated with this request, the council may be asked to review the request at an upcoming council meeting. But prior to consideration of this

request, staff felt it would be beneficial to have a broader discussion about HIA's and the potential policy questions that arise with the establishment of these districts. (The EDAC has already reviewed and provided a recommendation on this request.)

Housing Improvement Areas

Minnesota law provides a mechanism called a Housing Improvement Area (HIA) which allows cities to help arrange and finance rehabilitation on owner-occupied residential buildings, such as condominiums or townhouses. The HIA finances the common area improvements, which may typically be assessed on the association members if there are not enough funds available in the association's reserves. It is difficult for most associations to enter a conventional loan process most often because most of their "assets" are within the common spaces of the development.

Many cities, including Hopkins and St. Louis Park have used this mechanism as a way to finance common area improvements, such as siding and roofs.

How a HIA works

HIAs are permitted by Minnesota Statutes 428A.11 through 428A.21, part of the same law that allows cities to establish other special service districts. The procedure to set up a HIA is as follows:

1. A petition from at least 50% of the affected homeowners is required to commence city action.
2. The City Council may consider an ordinance setting up the HIA after holding a public hearing. At the hearing, a preliminary list of the proposed improvements must be identified. If the city adopts the ordinance, and 45% or more of the homeowners formally object to the city action, the ordinance cannot take effect and the HIA is not established.
3. Once the HIA is established, the city finances the improvements, and makes provisions to collect fees through a special assessment to repay the city for all costs associated with the project.

More background information about HIAs can be found on pages A2-A3.

HIA Requests

While there have been discussions, in the past regarding HIAs, there has never been a formal request until recently. It is anticipated that there will be more HIA requests in the future to assist in the major repairs particularly in cases where the associations were established many years ago. While these associations may have some reserve funds available, it is often not enough to cover the costs of their needs. The HIA allows for a "reset" by funding the immediate repairs, so that there are funds available for future repairs. It also allows the association time to make adjustments, if they have not been done already, to their homeowners fees so that these future repairs can be fully funded.

Additional requests may also come forth because of a new state statute. Beginning on January 1, 2012, homeowners associations are required not only to prepare a long range replacement schedule, but also to make sure that this replacement schedule is fully funded.

Public Benefits of a HIA

The majority of the city's affordable units are townhouse and condominium units, with the most affordable being those that were built in the 1970's and 1980's. The use of the HIA may be requested by these associations. It is very uncommon for these associations to apply for conventional bank financing as the assets they actually "own" are not the assets that would secure financing.

Additionally, if the housing stock is allowed to deteriorate, problems such as decline in market values, foreclosures, and vacant properties will become more prominent. This then can lead to other public safety and nuisance related issues, which require more city resources to address.

Financing a HIA

The city may finance a HIA in one of three ways: by issuing taxable revenue bonds (which does not count against the city's debt limits), internal financing (the city receives the benefit of interest, but has immediate cash outlay), or a combination of the two. In most cases, a HIA is financed by a combination of bonds and internal financing. This allows for the flexibility of pre-payment of the assessments by homeowners, if desired. Also, combining multiple projects with one bond issue is helpful, as it makes the "cost" of financing more manageable and the prepayments can be administered more effectively. Staff anticipates creating a timeframe each year which associations may petition for a HIA, which will allow the city to understand all of the requests, and if needed, bond only once per year or as the need for projects arise.

St. Louis Park has financed their HIAs through a combination of bonds and other financing, while the city of Hopkins has financed through bonds. The city of Hopkins most recent HIA was for the Westbrooke Patio Homes in 1999 for \$2.3 million in repairs for roofs and insulation.

Evaluation Criteria

Staff is proposing evaluation criteria be considered for requests for HIA financing. The evaluation criteria are not intended to be totally inclusive, but rather a guide for future decision making. The criteria are as follows:

- The values of the housing units are affordable to those at 80% AMI (approximately \$225,000 or less).

- The improvements financed by the HIA will help to meet the goals identified in the comprehensive plan and ULI study of preserving existing owner-occupied housing stock and neighborhood character.
- Weight will be given when there are improvements needed to remedy life, safety, or other regulatory compliance issues.
- The HIA funds are not intended to provide 100% of the funding for the association's long range replacement schedule, and that the association's own funds are being contributed, in addition to the HIA funding.
- The HIA funding resolves current capital improvements for the association and the association has taken measures to remedy the future costs of the improvements.
- All other funding sources have been explored and are not feasible.

To see how the criteria will be applied to analyze a request, the Cedar Ridge Condominium request that is pending can be used. The value of all 180 housing units are less than \$100,000, therefore meeting the affordability criterion. The projects requested such as the roof and garage floors may not be given as much weight; however, the request for elevators and garage floor drains may be given more weight because of the regulatory compliance associated with these improvements. Finally, Cedar Ridge is proposing that HIA funds be used to assist with 50% of the funding of the long range replacement schedule. The association's own funds will be contributed for the remaining improvements.

Recommendation

Over the years, staff has had many contacts with homeowners associations regarding the financing of common area improvements, and these numbers are likely to increase in the future. Because of this, staff recommends proceeding with creating a council policy regarding HIAs. The council would consider this at a future city council meeting.

Discussion Point

- ***Should the council proceed with the creation of an HIA policy and are the evaluation criteria appropriate?***

Submitted through:
John Gunyou, City Manager

Originated by:
Julie Wischnack, AICP, Community Development Director
Elise Durbin, AICP, Community Development Supervisor

Minnetonka Condominiums and Townhouses

Name of Condo/Townhouse	Address/Streets	# of Units	Year Built
Cedar Ridge Condos	10211, 10301, 10311 Cedar Lake Road	180	1969
Seven Oaks Condos	3412 Oak Ridge Road	59	1971
Country Villa Townhouses	Minnetonka Mills Road	19	1972
Townhouses of Shady Oak	Abbott La/Ct/Pl, Carter La	74	1972
Breconwood Townhouses	Tioga, Breconwood, Brigham, Comstock	88	1975
Greenbrier Village Condos	Cedar Lake Road	462	1975
Preston Trails Townhouses	Country La, Cimarron, Wildwood, Lonsdale	108	1976
Clearspring Townhouses	Spring Circle	54	1978
Beachside Townhouses	Beachside Drive	168	1979
Saddlewood	Laramie, Redwood, Aspenwood, Saddlewood	56	1979
St. Albans Mill Road Condos	St. Albans Mill Road	129	1979
Donnay's Creek View Hills (Townhouses)	Creek View Ridge/Trail	48	1980
Pepperwood Townhouses	Pepperwood Cir/Trail	32	1980
Beachside 2 Townhouses	Sanibel Drive, Pompano Dr., Bmini Drive	410	1981
Huntington Woods (Townhouses)	Rowland Road	17	1981
Glen Lake Shores Condos	Stewart Lane	30	1982
The Ponds at Greenbrier Condos	Greenbrier Road	130	1982
5607 Green Circle Drive Condos	5607 Green Circle Drive	72	1983
5627 Green Circle Drive Condos	5627 Green Circle Drive	72	1983
5643 Green Circle Drive Condos	5643 Green Circle Drive	48	1983
5645 Green Circle Drive Condos	5645 Green Circle Drive	48	1983
5697 Green Circle Drive Condos	5697 Green Circle Drive	72	1983
Arrowhead	Arrowhead Trail/Arrowhead Court	17	1983
Woodbine Condos	12700 Sherwood Place	45	1983
Creek View Hills Townhouses	Covington Ter/Path, Creeks Bend Drive	96	1984
Manchester Place Condos	Sussex Drive	16	1984
Minnetonka Woods Townhouses	Bayswater Drive, West End	18	1984
Sherwood Place Condos	Sherwood Place	36	1984
Southridge Townhouses	Southridge Court	18	1984
The Atrium Condos	Atrium Way	83	1984
West Oaks of Minnetonka Condos	Oakton Drive	33	1984
Vista Townhouses	Vista Drive	25	1986
Cherry Hill Townhouses	Clear View Lane, Ter, Court	58	1987
Creek Bend Condos	Creeks Bend Drive	28	1987
Lakewood Townhouses	Stewart Lane	12	1987
Windmill Ridge	Minnetonka Boulevard	22	1987
Brenwood Condos	6085 Rowland Road	36	1988
Lake Forest Condos	Rowland Road	22	1988
Sherwood Court Townhouses	Sherwood Court	42	1988
Vista Woods Townhouses	Bren Road	12	1988
West Oaks Townhouses	Oakton Ridge	20	1988
Chasewood	Chasewood Parkway	188	1989
Lake Forest Townhouses	Butternut Circle, Silver Maple Circle	84	1989
Woodhill Townhomes	Sherwood Lane	24	1989
Manchester Village Townhouses	Sussex Drive/Sussex Place	51	1990
Carlisle Place Townhouses	West End, Sandy La, Bayswater, Carlisle	64	1991
Cherry Creek Townhouses	Apple Tree, Cherry Tree, Lime Tree, Peach Tree	32	1991
Stoney Bridge Townhouses	Stoney Bridge Court	21	1991
Autumnwood Villas	Autumnwood Lane/Autumnwood Drive	56	1992
Waters Edge (Townhouses)	Waters Edge Drive	17	1992
Ashcroft of Minnetonka	Ashcroft Rd/Ter/Pl/Circle	44	1993
Brenwood Townhouses	Bren Circle	22	1994
Creekview Townhouses	Creek Line Drive	28	1994
Breconwood II Townhouses	Breconwood Circle	18	1995
Brenwood 2 Condos	5958 Rowland Road	36	1995
Gables of West Ridge (Townhouses)	Fairfield Rd/Way/Spur/Cir	124	1995
Greenbrier Villas	Cove Drive	30	1995
Bayhill Condos	Fairfield Road	68	1996
Wyndham Hill Townhouses	Wyndham Hill Drive	14	1998
Boulder Creek Townhouses	Town Line Road	13	1999
Somerset Ridge	Foxhall Road	11	1999
Cedar Green (Townhouses)	Cedar Green	17	2000
Enclave (Townhouses)	Enclave Drive	11	2000
Ridgebury Townhouses	Willoughby Way E/W	167	2000
Windpoint Villas (Condos)	12811 Sherwood Place	12	2000
Clarion Hills (Townhouses)	Clarion Circle, Clarion Way	39	2001
Big Willow Townhouses	Minnetonka Boulevard	4	2004
Cloud 9 Condos	Smetana Drive	164	2005
Lakeside Estates	Glen Lake Drive	13	2005
The Sanctuary (Townhouses)	Sanctuary Drive	23	2005
Wyldewood Condos	408 Parkers Lake Road	39	2005
Deephaven Cove (Townhouses)	Valley Cove Court	12	2006

Housing Improvement Areas

What are housing improvement areas?

A housing improvement area (HIA) is a defined area in a city in which housing improvements in condominium or townhome complexes may be financed with the assistance of the city, or the city's economic development authority (EDA) or housing and redevelopment authority (HRA).

Prior to 1996, cities needed special legislation to establish an HIA. In 1996, cities were granted the authority under general law. The general law, codified in [Minnesota Statutes, sections 428A.11 to 428A.21](#), sunsets June 30, 2009.

What kind of improvements can be made in an HIA?

The improvements that may be made under this law include improvements to the common elements in a condominium complex or townhome development. Examples include roofing, siding, landscaping, roadways, and walkways.

How is an HIA established?

At property owner's request. An HIA can only be established at the request (petition) of at least 25 percent of the owners of the housing units in the proposed area. If the petition is filed, then the city prepares an ordinance that:

- describes the area specifically,
- states the basis for imposing fees and the number of years the fees will be imposed, and
- makes a finding that without the HIA, the proposed improvements could not be made.

The ordinance must also specify if the city, the EDA, or HRA will implement the ordinance.

Notice, public hearing, ordinance. Before adopting the ordinance, the city must hold a public hearing at which the proposed improvements, affected housing units, and the exempt units are listed. Fees can be imposed on the basis of the tax capacity (value) of the housing unit, total square footage of the housing unit, or a method determined by the city and specified in the resolution. Potentially affected property owners may testify at the hearing. Those property owners may object in writing, and if the city agrees, may be excluded from the area or fee imposed.

The ordinance may be adopted within six months after the conclusion of the public hearing.

How are the improvements financed?

The city may finance the housing improvements by:

- (1) advancing funds available to the city to pay up front and then recover the costs by charging fees; or
- (2) issuing bonds to pay the costs and then imposing fees or assessments to repay the bonds. Obligations are not included in the city's net debt and no election is required for their issuance.

Before imposing fees, the notice must be issued and a public hearing held. Within six months of the conclusion of the public hearing, the city may adopt a resolution to impose the fees.

What plans or reports are required?

Before the city imposes and collects a fee provided for in the resolution, the condominium or townhome association must develop a long-term plan to maintain the complex. The plan must address operations, maintenance, and necessary capital improvements of the common elements. It must identify financing for the projects. The association must also submit its audited financial report to the city annually.

Although each city with an HIA is required to submit the HIA ordinance to the Commissioner of Revenue, this reporting has not been done. The fees imposed are reported as special assessments by the cities to the county auditor and collected through the property tax statements. Since these amounts are not identified separately, and with no effective statewide reporting, it is impossible to know how much money is collected for HIA purposes statewide.

How many cities have established HIAs?

As indicated above, there is no way to know how many HIAs have been established, but as of 2004, at least six cities are known to have adopted HIA ordinances.

City	# of Districts Established	Year Authority Granted
Coon Rapids	4	2002
Hopkins	4	1989
New Hope	3	1997
Plymouth	1	N/A
St. Louis Park	1	2002
Victoria	1	2003

The scope and length of projects vary within each HIA. The ordinances establishing HIAs are for three to 20 years, with fees assessed annually. However, the HIA ordinance may allow prepayment of fees.

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

Staff: John Gunyou, Geralyn Barone, Julie Wischnack, Elise Durbin, David Maeda

Schneider called the meeting to order at 6:30 p.m. He distributed information he received at the National League of Cities conference.

Barone gave an update on the city's preparation for possible flooding this spring.

1. Strategic Planning

Gunyou reviewed the process that had been used.

Consultant Kathy Graves of Parenteau Graves asked for overall reaction to the document.

Hiller said the revised vision statement provided a clearer purpose. Graves noted Hiller had voiced the most concerns that the vision statement had to be a visionary statement.

Schneider said the mission statement was too generic and applied to every city. He suggested language to include "to maintain the unique character of Minnetonka."

Wiersum said the proposed mission statement indicated the city was going to do its job and do it well and agreed with Schneider that something had to be added to get at the distinctiveness of Minnetonka.

Greves said she liked the delineation between the external and internal for the vision statement. Graves said that was not done for all clients but seemed to work out well in this case. Greves suggested adding language to the external vision statement to include employers and businesses. Schneider said he liked adding the word "employer" to the statement.

Wiersum suggested changing the external vision statement from "Minnetonka will be 'the' community of choice" to "Minnetonka will be 'a' community of choice" because using "the" was too grandiose. He also suggested changing "in a naturally beautiful environment" to "sustaining a naturally beautiful environment." This would indicate the city is taking responsibility for the natural environment rather than just existing in the natural environment.

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Hiller said he preferred using “the community of choice” rather than “a community of choice” because it indicated the city was trying to be something grand and provides a goal bigger than adequacy.

Ellingson noted Allendorf had a good comment at the previous meeting about including “preserving a enhancing the natural beauty of Minnetonka” that got to Wiersum’s suggestion.

Schneider suggested adding “with a positive and helpful attitude” to the internal vision statement to capture the city’s culture. Wiersum suggested removing the word “exceptional.” He agreed with Schneider’s suggestion to put the emphasis on the way services would be delivered rather than on employee behavior. Allendorf noted that currently when somebody calls the city the front desk staff always answers in a helpful and confident manner. This was an example of the quality the city was after. Wiersum said the focus of the internal vision statement should be on the customers and not on the services the city provides.

Graves asked for comments about the proposed guiding principles.

Schneider said the guiding principles were the meat of the document that captured a lot in a limited amount of words.

Wiersum suggested adding “innovative regional and national leadership” to the principles because the city has come up with a lot of innovative ideas. He also suggested adding “promote effective service delivery” noting innovating on the strategy was more important than innovating on the tactics.

Hiller said he did not like the statement “striving to do the right thing at the right time for the right reason.” He suggested ending the statement after “We will focus on excellent customer service.” Schneider said he preferred leaving the “striving to do...” part of the sentence. He said excellent customer service was in the eye of the beholder and the second part of the sentence addressed the situation where a staff person did what was reasonable but still failed to satisfy a difficult customer. Wiersum agreed. He said the city should take the approach of treating all customers as if the customer was right and then do the right thing. Even if that customer remains unsatisfied, staff would know they did their jobs well since they tried to do the right thing at the right time for the right reason.

Schneider suggested adding a section about the city’s fiduciary management to the categories. Graves pointed out that provision was part of the guiding principles. Schneider said the guiding principles were meant to be all encompassing. The goals and strategies specified what would be done in the specific categories. Adding a separate goal related to fiduciary management would focus attention on that responsibility. He suggested the language read, “Manage the city’s assets and resources with a high level of financial

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stewardship.” Allendorf and Wiersum said they agreed with Schneider’s suggestion. Wiersum said he would add language indicating the city would do the things that are needed or necessary to preserve the high quality of the city’s infrastructure. Schneider said he liked that suggestion. Ellingson said the phrase could include “physical assets and financial resources.” Hiller indicated the language needed to include mention of ongoing expenses and taxes. He also said he would support adding the goal and leaving it as a guiding principle. Greves said she would expand the provision as an additional guiding principle. Wiersum said the city’s financial management was what made the city a great place to live.

Graves asked other than managing for the long term what the city did to manage with a high level financial stewardship. Wiersum said unlike other cities, the city did not depend on money that it could not depend on. It relied on its own resources and tax base and did not spend beyond that. Schneider said the city lived within its means and didn’t promise things that raised unrealistic expectations. Wiersum said the city also did not put problems off but dealt with them when they needed to be dealt with.

Graves asked for comments on the natural environment goal/strategy. Allendorf asked for clarification on what the term “green living” meant. Graves said the term referred to recycling, energy conservation, and sustainable operations. Allendorf said those things were already included in the goal. Wiersum said he too did not like using the term “green living.” He suggested adding “environmental stewardship.” Greves said the category captured what the council had previously talked about in an effective and focused manner. Wiersum questioned the use of the term “reasonable growth.” He said what that term meant was in the eye of the beholder. He suggested adding “carefully balancing community growth and development with preservation efforts.” He also suggested listing the city’s other natural amenities to the mention of water and the urban forest. Ellington asked for an example of another natural amenity. Schneider said the city’s unique topography was an example. Ellingson agreed. Wiersum also cited the city’s wetlands as an example.

Schneider said he had a concern about the last bullet in the natural environment goal/strategy that read, “Taking a leadership role in promoting energy and water conservation, sustainable operations and infrastructure, recycling and green living.” He said he struggled with the perception of how people looked at taking a leadership role that implied getting way out ahead of others and doing pioneering work. He said he did not see the city doing that but rather finding out what was working in other communities before implementing those ideas. Greves asked Schneider if his comments indicated he didn’t currently seeing the city taking the leadership role or if he meant that he would like to see that happen. Schneider said to be a true leader in the natural environment area, substantial resources would have to be devoted to it. He said he didn’t see the city playing that role but

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instead playing the role of encouraging and supporting others efforts. Hiller agreed. Greves said using the word “encouraging” wasn’t strong enough. Wiersum suggested using a term such as “being an early adopter.” The city wanted to be on the leading edge rather than the bleeding edge. He agreed the city was not in the position to be a driver but did invest resources noting most cities did not have a natural resources manager or a forester. Graves suggested using the term “actively promoting.” Greves suggested adding “take an active role in promoting.”

Hiller said the reason residents liked the green aspect of the city was because everywhere one went, there was a natural feel. Reading the proposed language made it sound as if the focus was on specific areas in the city. Schneider said the way the city was able to achieve the natural feel throughout the community was by relaxing standards on subdivision development in order to be sensitive to the topography. Hiller said previous versions of the document better captured the point he was getting at by including language about “preserving the character.” Wiersum suggested adding language about the distinctive character of neighborhoods. He noted the city had no cookie cutter neighborhoods.

Graves asked for comments on the public safety goal/strategy. Greves noted it was specific and straightforward.

Graves asked for comments on the transportation goal/strategy. Wiersum said the term “community interests” undersold the city’s goal and suggested using the term “community needs and interests.” Schneider suggested adding the words “we will work” to the main heading.

Graves asked for comments on the community development goal/strategy. Schneider said he had a concern about using the word “partners” in the clause, “Supporting business retention and expansion to help our private sector partners remain economically competitive.” Graves suggested removing the word “partners.” Greves suggested adding language about attracting new businesses to the city. Wiersum said he had a concern about the clause, “Initiating programs and policies that preserve the unique character of existing housing, while broadening choices for a changing population of younger households, empty nesters and seniors.” In reality the city had a dramatically aging population and the clause did not include that. He said the council had discussed attracting younger families to the city but the reality was there was not housing stock available for younger families. What the city needed is housing stock where the older residents could move to open up housing available to the younger families. Hiller said the real issue was the city’s rapidly aging population and somehow reversing that by attracting younger families. Wiersum said his concern was the clause’s emphasis was on housing and housing for younger families was not the issue. The real issues were affordability and other things.

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Graves asked who the council was trying to attract to the city. Schneider said the goal was to meet the needs of its aging population while trying to attract younger families. Greves said the council has said it didn't want to make it seem like it wanted to push older families out but rather wanted to make sure housing was available for them as well. Schneider said this often meant providing a smaller place for seniors to move to. He said the goal was to provide a downsizing option for the empty nesters. Wiersum said the goal was to leverage the distinctive character of the existing housing to meet the needs of the current populace while at the same time having programs that encourage young families to move to the city.

Graves asked for comments on the recreational goal/strategy. Greves suggested adding "and varying ability levels" to the clause, "Offering a full range of programs that meet the needs of all ages, from our youngest residents to our senior citizens." Schneider suggested removing the term "regional" to the clause about trail systems. Wiersum suggested amending it to indicating a connection with the regional trail system. Wiersum suggested adding "trails" to the clause "Responsibly maintaining our parks and recreational facilities, while fairly balancing user fees with general community support" because of their importance to the city.

Schneider called a recess at 7:42 p.m.

He called the meeting back to order at 7:56 p.m.

2. 2010 Minnetonka Transit Study

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

Allendorf noted the staff report indicated that people are willing to walk a mile to the County Road 73 Park and Ride. He asked if this was because people take then take the bus downtown. Wischnack indicated that was correct.

Ellingson asked for clarification on what the annual ridership number included. The consultant, Jim Lasher from LSA Design, said to calculate the number of people who ride the buses, the number should be divided in half because it included the rides to the destination and the rides back. Ellingson asked if there was information on the number of different people who rode buses rather than a count that includes people who ride buses on multiple occasions. Wischnack indicated that information was not available. Gunyou said that there were questions included in this year's community survey that would help gauge the interest in transit and who currently uses it. Wiersum said if the assumption was made that most of the annual ridership number was comprised of people taking buses downtown, then it appeared there were around 1,000 to 1,200 unique

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riders. Schneider said he would like to see information about how Minnetonka's ridership compared with neighboring communities.

Allendorf asked how many people used the Transit Link service. Durbin said it was estimated that Transit Link would provide around 10,500 trips a year. She noted an estimate was used because the service had only been up and running for one year. Allendorf said it was likely that the 10,500 trips included people who used the service more than once rather than unique riders.

Schneider said ultimately what was needed was information to indicate how many residents were using the transit services and if the services were adequately meeting the needs. He said this would be more useful than the ridership numbers that were included in the study.

Hiller asked if the community route services would be available during the evening hours. Durbin said the running time would be 10 ½ to 11 hours a day and would allow for evening routes.

Allendorf noted the estimate was for around 30,000 to 40,000 rides a year. This would average around 100 rides per day. If round trips are calculated in, this would mean around 50 people would use the service. Wiersum noted it would cost around \$8-\$10 per ride.

Gunyou indicated staff and the consultants had preliminary discussions with representatives from Metro Transit, Plymouth Metro Link, and Southwest Transit. He said Metro Transit was much more amenable to talking with the city than in the past. Plymouth Metro Link also was eager to talk at the direction of the Plymouth city council. He said Southwest Transit was less receptive. Schneider indicated the Southwest Transit policy board had contacted him numerous times. Gunyou said what was being discussed was unique and driven by the fact that Minnetonka is not an opt out end of the line city but was located in the middle. The location means residents will always have excellent service and keeps the city viewed as important because it enforces the integrity of the regional system. Metro Transit views the city as an asset. The idea is also for staff to look at all options and work with neighboring cities to see if a collaboration would lead to improvements. He said staff would not recommend the city run a transit system unless otherwise directed by the council. He added the overall process would likely take some time to complete.

Ellingson asked if it was possible to have an arrangement with all three entities. Wischnack said that was a possibility. Gunyou noted Plymouth Metro Link and Southwest Transit were very different operations. Plymouth Metro Link was more of a local circulator service while Southwest Transit was an express service to downtown.

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Allendorf said he agreed with the recommendations. He said he was looking to quantify what was the real transit need for residents. Before the city embarked on an effort in establishing an interior route or a north south route, he would like to see there was a need in the community.

Schneider said the number of residents who are transit dependent or semi-transit dependent was likely a small subset of the overall community. If nothing was changing and the light rail does not happen then the current system was probably sufficient. He said the advent of the Southwest Light Rail line had the potential to change the dynamics and lead to people wanting to use the transit system.

Wiersum said he agreed with Allendorf that it was important to determine the number of people who use transit. Given the \$4 million available funding from the Met Council, if 2,000 people were using transit this would mean each individual was being given a \$2,000 subsidy per year. This might be the right policy decision, but it still was a lot of money. He said running full buses back and forth to downtown likely was an effective service but running buses north and south was prohibitively expensive. Looking for cost effective options to provide the north south service was important. He said he supported option two to find some out of the box way to lower the costs while still getting the service that is needed.

Hiller said if the light rail is built then the Met Council will likely want to work with Metro Transit to make the interconnections. He said he would like to see information about the economic benefit of the transit service. Would the businesses in the Ridgedale and village centers see enough benefit from a circular route to make it viable? Another concern is what level of partnership the city would have to be involved in to provide adequate services in the city. Lasher said there would need to be a companion program to integrate transit cities within the community. A variety of connections would have to work together and the city would have to have a role in that partnership. Gunyou said if the city opted out, the \$4 million would still need to be used to provide a comparable service. Hiller said his point was the decision had to include what the city needed to do in addition to make the city a bus friendly city with routes that are actually used. Wischnack noted Commuter Services already provided some of what Hiller was talking about and they were the inroads for marketing the services.

Schneider suggested identifying the transit dependent areas of the city through an in depth survey that identified resident's needs. One option would be to contract with Southwest Transit to use vans to serve as shuttle buses for specific areas. After the costs are identified, the Met Council funding could be used for that service. The service could be used for a year to determine its viability. This would provide valuable information going forward. Gunyou said Met Transit could see some value out of that alternative because some of the least profitable routes that run all the way downtown could be discontinued. He said one thing to

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keep in mind was the city is not in the transit business but its role was to make sure residents were getting the service. The city does not have to come up with a business plan that would determine what fares would be generated. Rather, the available \$4 million funding provided the city the option of determining how the funds are allocated to best serve residents.

Wiersum said one way to look at it was that the city was buying transit for its residents in as cost effective a way as possible. He said the city's location gave it more leverage in negotiations.

Wischnack said she would recommend a two year contract. This would allow the city to adjust to the changing circumstances.

3. Adjournment

The study session adjourned at 8:37 p.m.

Respectfully submitted,

David Maeda
City Clerk

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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, Merrill King, Liz Berger, Julie Wischnack, Lee Gustafson, Nate Stanley, Will Manchester, Mark Raquet, Brian Wagstrom, Perry Vetter, Joe Wallin, Kevin Fox, Dave Johnson, David Maeda

Schneider called the meeting to order at 6:30 p.m. He indicated the council had been invited to participate in the Step to It challenge again.

Gunyou reported that the city had been awarded by Readers Digest as one of the 100 "We Hear You America" RV tour stops. The \$1,000 award will be donated to the ICA food shelf.

1. CIP

Gunyou indicated the city's 10 year street revitalization plan was in its seventh year. The plan is to transition the program to maintain and preserve city streets while continuing the reconstruction and overlay program. Gustafson said the goal of the street reconstruction program for the streets to have a 50 year life cycle. This meant building the streets correctly to begin with. Much of this was based on having a good base underneath the streets as well as having a good pavement and good curb design. Another goal was to protect the base from water infiltration. New techniques have been incorporated the last five years to assist with the maintenance and to make the streets last longer. The plan in the CIP was to help accomplish the 50 year life cycle goal and to be more proactive than reactive.

Hiller noted that when the thin overlay program first began, the goal was for the work to last eight years. He asked if that goal was being met. Gustafson said the work would likely last for more than eight years. He said the public works crews were able to fine tune the work depending on what was needed on a particular street. Gunyou said one of the goals of the new program would be to evaluate each street to determine what specifically would work best for the specific street.

Allendorf noted the information indicated that outside contractors would be used for the preservation program. Gustafson said the plan would be to have the contractors do some of the thin overlay areas. Public works crews would be used on the new projects because they take more care in determining what the individual street required.

Ellingson asked if there was consideration for using concrete rather than asphalt for city streets. Gustafson indicated there was no plan to use concrete because of the costs and the difficulty it would cause in maintenance. Ellingson asked if

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the streets were realistically built to last 50 years or if the 50 year goal was due to the amount of funding. Gustafson said both were true. The city does not have the funding to have streets last any less than 50 years so everything had to be done to ensure that they lasted that long.

Allendorf said that the mill and overlay program was easy to explain to residents. He asked for a similar simple explanation for what was being proposed. Schneider said the staff report indicated the program would be a big shift but he couldn't tell what the shift actually was from the information presented. He said in broad terms, the shift was to do a more strategic, pragmatic identification of needs rather than mass work. Gunyou agreed.

Wiersum asked on average how old the reconstructed streets were. Gustafson said the city reconstructed streets were around 18 years old but there were streets associated with developer projects that were older. Schneider said his street was built around 1958-1960 and was in fine condition.

Wagner noted there had been great bids last year that allowed the city to do some streets that were not scheduled. He said there are areas like the Ridgedale and the south frontage road by Crane Lake that even if there was a mill and overlay done, something further would have to be done in the near future just because of the amount of traffic. He asked if the plan included taking care of any of the regional centers where more intensive use would occur. Gustafson said the roads Wagner was describing were the most difficult to plan for. He said next year's budget would include a placeholder to provide funds for areas similar to those Wagner identified. Better evaluation of the soil conditions will allow staff to better predict when a road will need work and being able to reserve funding for the work. Wagner said those areas were not just important for residents but were important as show case areas for the city as well. Adding budget flexibility to ensure those streets remain in good shape was important.

Schneider said some other cities with difficult soil conditions use a higher percentage of drain tiling. He asked if staff looked at that option. Gustafson said drain tiling is looked at with every project.

Gunyou said the same dollar amount and staffing would be used in the transition. There will be a free intern courtesy of MNDOT. That person would be used to put together the initial survey of the streets. Allendorf asked what MNDOT would receive for providing the free intern. Gustafson said MNDOT felt it was beneficial to send out the interns to learn how cities and counties do their work. The intern that will be used has done work with the city before so he knows Minnetonka.

Gunyou noted as part of the public safety study, two things would be implemented related to fire hydrants. A program would be established for unidirectional flushing. An inspection program would also be put in place to make

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sure all the hydrants are up to standard. Public works would work with the fire department to develop a comprehensive plan for regular inspections. He said the city did not have a good handle on all the private hydrants in the city. There are over 3,000 public hydrants.

Gunyou said the city has made good progress with the infiltration and inflow program. Allendorf asked if the Met Council was issuing penalties. Public Works Director Brian Wagstrom said the program had been extended for cities that were making progress. Last year the legislature appropriated additional funds to address the issue. Wiersum asked if any city had reached a point where they didn't have to pay the surcharge. Wagstrom said the Met Council will re-monitor statuses at the end of the year. That's when it would be determined if surcharges are owed.

Greves asked for an update on the city's water quality improvement program. Gunyou said more data is still needed before staff can recommend a program. Gustafson said 14 months ago the city submitted a non-degradation plan to the Minnesota Pollution Control Agency. At the same time there was the Medicine Lake total maximum daily load study that the city was a part of. The PCA decided not to respond to the non-degradation plans. He said the TMDL study would not require the city to do any projects. Staff had expected that both processes would lead to a lot of work but that did not occur. The work that needs to be done is listed in the CIP including computer modeling. He said the council may see new projects appear in the CIP two years from now that are based on the computer modeling and water quality studies that are being done.

Wagner asked the status of the energy grants the city had received. Parks and Trails Manager Perry Vetter said the money had been committed but not all of it had been spent yet.

Schneider said after the recent joint meeting with the Minnehaha Creek Watershed District, he was more encouraged about the public benefit and ending up with something valuable out of the process. He said if the project gets to the point where the council likes the proposed idea and has to decide if and how the idea will be funded, he would like it to be clear how the Community Investment Fund could be used. The language in the CIP document could be interpreted that way already if the term "amenities" was broadly interpreted. Wagner agreed that clarity was important and suggested that the language be amended to make the potential use more clear. Gunyou indicated staff would make that change.

Wagner said last year there was discussion about the idea of using the CIF fund to advance key trail segments not linking to village centers. He noted several segments on the unfunded list would do that. He said he would like to see the city look into providing an incentive to private owners where if they wanted to advance their project on the list then the city could provide matching funds. He

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cited the Ridgedale area as an example of area that is not walkable that could benefit from a trail because of the amount of traffic. Wiersum said he agreed with Wagner's suggestion. Schneider said it was important to have a system in place to get trails in areas the city has identified it would like additional housing. Wiersum said adding trails in the Ridgedale area was in the best interest of the business owners to allow their employees to bike and walk to work.

Wiersum suggested the city look at adding exterior drinking fountains at different locations throughout the city where there are public buildings. This would be a beneficial amenity for walkers and bikers. Schneider said there is a device that attaches to fire hydrants that he has seen used in other cities.

Hiller said he has an ongoing concern about the city's ability to pay for more trails. He said the progress hasn't been as good as he would have liked during the past four years. Wagner noted during his time on the council there has never been a five year plan but rather trails were done as part of street improvement projects.

Allendorf said when he first became a councilmember the concept was there would eventually be total connectivity of the trails throughout the city. That changed over time as residents did not want trails that would be too near to their properties. He suggested looking at the comprehensive plan and the village center concept to identify trails that would benefit the village centers and then determining a method to pay for those trails. Schneider noted the city has made progress since the 1970s with its trail system but because of funding issues it has remained an ongoing long term process. Gunyou said staff could come back next year with options to take a more aggressive approach. Schneider said he would be concerned with using more property taxes for the trails. Wiersum said he thought the city's trail system was pretty good and better than most cities. There are missing links that could be addressed by taking the approach Allendorf suggested. Schneider suggested that staff come up with a top ten trails list.

Greves asked for more information about the pollution control requirements that have caused the costs of replacing dump trucks and plows to increase. Public Works Director Brian Wagstrom said there are federal regulations on engines that include different tiers. Currently the city is approaching tier four. Each tier adds about \$10,000 to the costs.

Gunyou noted the city has done a few things over the past few years to keep the cost of replacing fleet vehicles down. One example was not replacing cars as frequently as in the past.

Wagner asked for more information about the mobile command post. He asked if consideration was given to sharing the post with other cities in order to purchase it sooner than scheduled. Gunyou noted the item is currently unfunded and that

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reflects the recommended priority. Police Chief Mark Raquet said the city has access to a mobile command post through the county or another city if needed.

Wagner asked if the initiative to connect the water towers and pumping stations to the city's fiber network was truly needed given the only rationale being to reduce the costs being paid to Qwest or Comcast. He asked staff to look into the capital versus ongoing expense tradeoff. Wagstrom said the performance benefit would be the ability to get the information out of the system quicker. Currently using radio technology it takes about 12 minutes to get all the reports in to public works. Switching to fiber would mean getting the information in a matter of minutes. Raquet noted that reliability is another factor because Qwest is putting little into the infrastructure and that leads to more and more failures. Schneider noted Hennepin County is working on a project in Plymouth that involves a significant federal grant to expand the fiber network throughout the county. Eventually this would benefit Minnetonka as well.

2. TIF Pooling

Community Development Director Julie Wischnack gave the staff report.

Wagner asked if there was a reason language was not included for areas with heavy and regular transit services as opposed to regional centers and light rail. Wischnack indicated when looking at the potential projects there had to be an extensive amount of services available besides transit. This would include groceries stores or a center that people would walk to. She said some of the centers in the comprehensive plan did not provide all the criteria being looked at and that was why she focused attention on the larger regional centers. Wagner noted the Highway 7 and County Road 101 area might be an area that would fit what was being looked at.

Allendorf asked if the Duffy project would fit in with either the regional village center or support light rail transit criteria. Wischnack indicated it would fall under the regional center because it was part of the Ridgedale area.

Gunyou said what was being suggested was priority criteria but would not determine what would necessarily qualify or not qualify. Wischnack said the criteria would help shape negotiations with developers to help guide them to understand when the city would spend the funds and when they would not.

Wischnack noted that when the EDAC discussed the Duffy development the consensus was that the city's funds would be the last funding used. Schneider cautioned the local contribution may be a factor in getting other grant funds. If the city were to require the other grant money to be used first might create issues with the availability of the other funds. He said the bottom line was determining if the project was worth doing and determining the appropriate mix of funding

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rather than the order of how the funding should be used. Wischnack clarified that if a project's funding sources increase or decrease then it would affect the amount of the city's contribution.

Wagner said he would not limit the use to regional centers or light rail. If the transportation frequency was enough, like in the Highway 7 County Road 101 area, then those areas should be considered. He said the ultimate goal was determining how to best allocate the TIF pooling. Another possible consideration was if the city wanted a variety of housing in a variety of locations around the city. Wischnack said the type of housing might be problematic because the housing would have to be rental for the funds to be used. How the unit was designed or if it was designed for seniors might be considered as a condition. Wagner said if two projects came in at the same time then consideration could be given to where the projects were. Allendorf said that having the type of product as a criterion might be interfering with the market. He agreed using the location of a project might be something he would support as a possible criterion.

3. Adjournment

The study session adjourned at 8:28 p.m.

Respectfully submitted,

David Maeda
City Clerk