

AGENDA

MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, January 14, 2003
6:00 PM

Gray's Bay Room
Minnetonka Community Center, Upper Level

1. Call to Order.
2. Roll Call:

Dan Duffy	Ken Tauer
Dave Larson	Al Thomas
Peter St. Peter	Bob Walker
3. Approve minutes of the November 19, 2002 EDA meeting.
4. Staff Report.

BUSINESS ITEMS

5. Discussion of the 2002 Annual Report and 2003 Goals for the EDA.
Action recommended is to hold the discussion.
5. Discussion on Rental Housing Registration/Licensing and Maintenance Codes.
Action recommended is to hold the discussion.
7. Other Business.
The next regular EDA meeting will be held on Tuesday, February 11, 2003.
8. Adjourn.

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**Tuesday, November 19, 2002
6:00 P.M.**

****Boards and Commissions Room**
Minnetonka City Hall, Lower Level**

1. CALL TO ORDER

EDA President Peter St. Peter called the meeting to order at 6:08 p.m.

2. ROLL CALL

Commissioners present: Dan Duffy, Linda Koblick, Dave Larson, Peter St. Peter, Ken Tauer, and Bob Walker.

City staff present: Ron Rankin and Elise Souders.

Others present: Neil Herring and Winnie White Scherber.

3. APPROVE MINUTES

Koblick moved, Tauer seconded a motion to approve the minutes of the September 17, 2002 EDA meeting with changes. All voted "yes." Motion carried.

Tauer moved, Duffy seconded a motion to approve the minutes of the October 17, 2002 EDA meeting with changes. All voted "yes," with Commissioners Koblick, Larson, and Walker abstaining. Motion carried.

Tauer moved, Duffy seconded a motion to approve the minutes of the October 17, 2002 EDA and Planning Commission Joint Study Session meeting as submitted. All voted "yes," with Commissioners Koblick, Larson, and Walker abstaining. Motion carried.

4. STAFF REPORT

Souders reviewed the staff report items, including: the vacancies on the EDA; updates on WHAHLT, the Southwest Rail Study, and Dial-a-Ride; meeting announcements for Minnetonka Boulevard and County Road 101, and the Glen Lake Planning Study; a review of the "Homes for All" Convention; and an update on the Minnetonka Heights Outreach Program. Rankin also noted that staff had met with MICAH members and will continue to meet with them.

BUSINESS ITEMS**5. PROPOSED AMENDMENT TO CONTRACT FOR PRIVATE REDEVELOPMENT BETWEEN THE CITY AND EDA AND MINNSTAR BUILDERS, INC., REGARDING THE RIDGEBURY/WILLOUGHBY REDEVELOPMENT.**

Rankin reviewed the proposed amendment saying that Minnstar Builders is asking for an amendment in the building schedule because of slow sales for these units. The key issue Rankin noted is that by delaying the schedule, in theory it could affect the payoff of the TIF monies; however, because the Crescent Ridge office buildings have been built, and generate a lot of tax increment, a delay in the money needed to pay off the debt is less likely to occur. Rankin also mentioned that a similar situation occurred in the West Ridge Market development and a revised schedule was approved by the EDA. Staff recommends approval of the amendment by Minnstar Builders.

Discussion followed regarding what happens if Minnstar Builders does not build the units or if a change is made to the original plan. Rankin reiterated that any changes to the original plan they would have to go through the EDA and City Council for approval.

Koblick moved, Tauer seconded a motion to approve the amendment to the contract for private redevelopment.

Further discussion followed from St. Peter regarding two concerns that he had about the amendment. The first concern is that it cannot be assumed that the Crescent Ridge office buildings will pay off all of the debt, and the second concern is that there is an opportunity to get something in return if the schedule is not met or if there is a change to the plan. Larson noted that amending the schedule to add an extra five years is a long time without receiving anything in return.

Koblick withdrew the motion, Tauer withdrew the second to approve the amendment to the contract for private redevelopment.

Koblick moved, Walker seconded a motion to refer the amendment to the contract for private redevelopment back to staff for further discussion. All voted "yes."
Motion carried.

(Koblick left the meeting at this time.)

6. DISCUSS FOLLOW-UP STEPS TO THE OCTOBER 17 JOINT STUDY SESSION WITH THE PLANNING COMMISSION.

Rankin introduced the item and said the report recaps the discussion. He noted it was a positive meeting from staff's view and there seemed to be no objections by the Planning Commission regarding any of the sites that were discussed by the EDA. Rankin also mentioned that developers are continuing to look into many of these sites as well. Tauer reiterated the point, specifically noting the Wilshire drive and the Minnetonka Boulevard/Highway 169 areas, where he expects there may be neighborhood concerns.

Duffy inquired if any of the developers the City has been meeting with were thinking about a residential above commercial type of development as seen in Hopkins and St. Louis Park. Discussion followed regarding the topic, and St. Peter asked about the possibility to get one or both of the developers in to talk to the EDA about their projects.

Tauer felt the joint study session was worthwhile. Duffy agreed, and felt that both groups were on the same page. In addition, Duffy wondered if it was possible to meet with the Planning Commission on an annual basis. Larson asked if once a year was adequate or if it needed to be done more frequently.

St. Peter felt that the meeting was helpful due to the targeted discussion, where the EDA had specific questions and needed to find out if there were any concerns from the Planning Commission. Duffy also added that it gave the Planning Commission an idea of what the EDA's goals are, especially when they are looking at future decisions. Tauer mentioned that staff has done a good job letting the commissioners know the issues through their reports.

7. OTHER BUSINESS

St. Peter inquired about the 2003 meeting schedule. Rankin handed out a copy of the 2003 calendar and talked about the meetings scheduled for December 2002 and January 2003. Rankin said that there was no need for a December meeting and that the January 14th meeting should be kept on the calendar since there will not be a December meeting.

8. ADJOURN

Tauer motioned, Larson seconded a motion to adjourn the meeting at 7:25 p.m.
All voted "yes." Motion carried.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director
Elise Souders, Community Development Coordinator

DATE: January 9, 2003

SUBJECT: Staff Report for January 14 EDA Meeting

The following items are reported for your information:

1. EDA Commissioner Vacancies

Councilmember Al Thomas will be appointed as one of the two new EDA Commissioners. Thomas, who is the Councilmember for Ward 4, replaces Linda Koblick as one of the two Councilmembers that serve on the EDA. The second EDA Commissioner vacancy has yet to be filled; however, the Mayor plans to make an appointment on January 27th.

2. Glen Lake Planning Study

A third Neighborhood Committee Meeting was held on Wednesday, January 8th for the Glen Lake Planning Study. At the meeting, several scenarios were presented on possible redevelopment options for the area, including higher density and mixed-use development. The group then had the opportunity to discuss what parts of the plans they liked and what they did not like. Plans will be presented to the entire neighborhood on February 4th for more comments.

3. WHAHLT

WHAHLT finished 2002 by selling the Minnetonka Boulevard property that they owned. This is the 5th house sold for WHAHLT in 2002. A purchase agreement was also sent to the new buyers of the Baker Road property. An open house at the Victoria Street property is being held on Saturday, January 11th from 11am to 1pm, which will then be followed by an informational meeting at 1:30pm in the Boards and Commissions Room at City Hall.

4. Southwest Rail Study

The Southwest Rail Study continues on. A Policy Advisory Committee meeting was held on December 18, at which time the different rail technology types were discussed

in detail and criteria for evaluating the alternative routes was reviewed. Upcoming outreach activities include, City Council briefings in February and March, and open houses during the week of February 24th.

5. Dial-a-Ride

The number of riders in December dipped slightly to 554 total rides (an average of 27.7 rides per day). This is down from November when there were an average of 33 rides per day. In February, the Dial-a-Ride bus service will be highlighted in the Minnetonka Memo as part of a monthly series on transit routes in Minnetonka.

6. Upcoming events/meetings

Wednesday, January 29—Sensible Land Use Coalition Seminar
“New Governor, 60 new Legislators and a \$4.5 billion deficit—what’s next?”
11:30 a.m. – 2:00 p.m.
Doubletree Park Place (1500 Park Place Blvd—St. Louis Park)
See attachments for registration form

Tuesday, February 4—Glen Lake Study Neighborhood Meeting
Glen Lake Activity Center
4:30 p.m.—6:00 p.m.

Tuesday, February 11—EDA Meeting
Gray’s Bay Room
6:00 p.m.

Sunday, February 23—Remodeling Fair
Eisenhower Community Center
10:30 a.m. –3:30 p.m.

Tuesday, March 18—EDA Meeting
Gray’s Bay Room
6:00 p.m.

7. Attachments

- Sensible Land Use Coalition Seminar registration form “New Governor, 60 new Legislators and a \$4.5 billion deficit—what’s next?”
- Twin Cities United Way (2002) “Face of the Twin Cities: A Regional Look at Community Trends and Disparities” **Housing Chapter**
- HOMELine (November 2002) “Money Talks, but Most Landlords Aren’t Listening”
- HousingMinnesota (December 2002) Homes for All Convention Results
- “Hollman—Ten Years Later”



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: January 10, 2003

SUBJECT: Upcoming Events

You are invited to attend both of these upcoming events:

- **Reception for Linda Koblick**
Monday, January 27
4:30 p.m. to 6:00 p.m.
Shady Oak Room

- **State of the City Event**
Wednesday, February 12
7:30 a.m. to 9:00 a.m.
Community Room

(Both events are at the Minnetonka Community Center.)

TO: EDA Commissioners

FROM: Ron Rankin , Community Development Director

DATE: October 21, 2008

SUBJECT: The EDA 2002 Annual Report and EDA Goals for 2003

Each year, the staff liaison for each city board or commission prepares a brief report for the City Council on the group's activities and attendance for the past year. The report also lists expected goals for 2003, which were developed for the EDA by staff in consultation with Peter St. Peter. A copy of the report is enclosed for your review.

A discussion about goals for 2003 is particularly timely because the City Council will have an initial discussion about city-wide goals on Monday, January 13, with the prospect of a council goal-setting session to be set for the near future. Staff has also enclosed a copy of the council report for January 13, so commissioners can review that information, too. The report includes several statistical comparisons from the past 10 years, which indicate trends for Minnetonka. One trend already discussed by the EDA is the aging of Minnetonka's population, and the implications that has for future housing needs.

The 2003 EDA Goals are listed below. Obviously, these can be changed or revised in any way the EDA may wish.

- Continue follow-up on the Housing Needs Study by identifying developments suitable for new housing locations.
- Update policies on city financial assistance for housing and redevelopment projects.
- Identify opportunities for transit improvements.
- Examine ways to promote renovation at neighborhood commercial centers.
- Review the Neighborhood Renovation Program, and recommend further action or abandon the concept.
- Learn about innovations in transit, retail/housing mixed-use buildings, and affordable housing.

As can be seen, several of these goals are directly related to the future of the city's residential and commercial neighborhoods. Staff believes this is particularly important in view of the aging of the city's housing stock and of some commercial developments.

To expand on the statistical comparisons presented in the council report that illustrate coming trends, staff has included additional information below:

Age of Housing

	Number of Units*	
	<u>1993</u>	<u>2002</u>
10 years old or newer	3,282	1,289
11-20 years old	3,447	3,282
21-30 years old	2,432	3,447
31-40 years old	3,957	2,432
41 years old or more	2,144	6,101 +185%
TOTAL	15,262	16,551

*includes single-family, townhouses, and condos

Residential Additions/Remodels

<u>Year</u>	<u>Permits</u>	<u>Value</u>	<u>Average Value</u>
2002	1,614	\$26,616,000	\$16,491
2001	2,147	\$31,861,000	14,840
2000	1,602	21,908,000	13,676
1999	2,123	28,233,000	13,236
1998	1,412	16,625,000	11,774
1997	1,347	13,149,000	9,762
TOTAL	10,245	\$138,392,000	\$13,508

Age of Commercial/Industrial Buildings

1991 or newer	68	buildings
1981 to 1990	134	
1971 to 1980	148	
1960 to 1970	66	
Pre - 1960	87	
TOTAL	503	buildings

Commercial/Industrial Additions/Remodels

<u>Year</u>	<u>Permits</u>	<u>Value</u>	<u>Average Value</u>
2002	256	\$25,548,000	\$99,797
2001	224	24,347,000	108,692
2000	302	52,648,000	174,331
1999	269	31,441,000	116,881
1998	275	30,425,000	110,636
1997	283	63,931,000	225,904
TOTAL	1,609	\$228,340,000	141,914

Minnetonka Property Values

<u>Year</u>	<u>Median Residential Market Value</u>	<u>Median Sale Price</u>	<u>Total City-Wide Market Value</u>
2002	\$227,200	\$278,000	\$6.10 billion
1992	114,000	140,000	2.89 billion
Difference	+\$113,200	+\$138,000	+3.21 billion
% Change	+99 %	+99 %	+111 %

Minnetonka Population Age

	<u>1990</u>	<u>2000</u>	<u>% Change</u>
Up to 19	12,715	12,739	-0-
20-44	20,424	16,843	-17 %
45-64	10,485	14,554	+39 %
65 and Over	4,746	7,165	+51 %
TOTAL	48,370	51,301	+6 %

Minnetonka Educational Attainment (People 25 and over)

<u>Education</u>	<u>1990</u>	<u>2000</u>	<u>% Change</u>
Up to High School Grad	8,454	7,217	-15 %
Some college or Associate Degree	10,303	10,370	-0-
Bachelors Degree	10,176	12,606	+24 %
Graduate/Prof. Degree	4,062	6,158	+52 %
TOTAL	32,995	36,351	+10%

Minnetonka Residents' Work Location

	<u>1990</u>	<u>2000</u>
In Minnetonka	24 %	24 %
Outside Minnetonka	76 %	76 %

Traffic Increases

<u>Roadway</u>	<u>1991</u>	<u>2001</u>	<u>% Change</u>
I-394 (at Ridgedale)	47,500	100,000	+111 %
I-494 (south of I-394)	61,000	100,000	+64 %
Minnetonka Blvd (west of I-494)	18,000	19,300	+7 %
Highway 7 (west of I-494)	46,500	47,000	+1 %
Highway 62 (west of I-494)	13,300	27,400	+106 %

Police Statistics

<u>Category</u>	<u>1992</u>	<u>2002</u>	<u>% Change</u>
Medical Calls/Lift Assists	1,305	2,284	+75%
Juvenile Crimes (Non-schedule hours)	358	540	+54%
Traffic Accidents	1,266	1,724	+36%

Student Diversity

<u>School District/Year</u>	<u>Total Enrollment</u>	<u>Students Of Color</u>	<u>% Of Total</u>
Hopkins 88-89	6,706	512	7.6 %
Hopkins 91-92	7,419	526	7.0 %
Hopkins 01-02	8,255	1,361	16.5 %
Minnetonka 88-89	5,819	232	4.0 %
Minnetonka 91-92	6,478	222	3.4 %
Minnetonka 01-02	7,677	482	6.3 %
Wayzata 88-89	6,485	315	4.9 %
Wayzata 91-92	7,254	548	7.6 %
Wayzata 01-02	9,441	982	10.4 %

Household and Family Income

	<u>1990</u>	<u>2000</u>	<u>% Change</u>
Median Household Income	\$50,659	\$69,979	38%
Median Family Income	\$57,395	\$85,437	49%

These statistics indicate several potential trends:

- The increase in housing prices greatly exceeds the increases in household/family incomes. This underscores the importance of the EDA's work on adding more affordable housing.
- Minnetonka is fully developed, and its housing and commercial buildings are aging. Many have received significant remodeling, but others need monitoring.

- The increased diversity in ages and ethnicity make it important to see that all residents are included in the social fabric of the community. This has implications for services – senior, recreation, and social services – transit, and housing needs.
- Relatively few roadway improvements have been made in the recent past, or are planned for the near future. Traffic congestion on our freeways and the “spillover” to county roads are likely to continue.

The EDA is invited to discuss these and other trends that might be evident. Doing so can help refine the 2003 EDA Goals, and also provide early input for the city council goal-setting session.

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TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: January 9, 2003

SUBJECT: Discussion on Rental Housing Registration/Licensing and Maintenance Codes

In September, staff met with a HOME Line representative to discuss the possibility of implementing a housing code and rental licensing/registration system in Minnetonka. The discussion was prompted by tenants' complaints, the age of rental buildings, and from Councilmembers' suggestions.

Attached is a sheet listing the rental properties located in the City. Shown on this listing are the number of units in the building and the year they were built. The average age of the buildings is 16 years, with an age breakdown of:

<u>AGE</u>	<u>NUMBER OF BUILDINGS</u>
0-9 years	10
10-19 years	14
20-29 years	6
30 or more years	3

In response to staff's meeting with HOME Line, housing codes for Richfield, Edina, Eden Prairie, and Plymouth were gathered. These codes were chosen because of those cities' similar to Minnetonka in location, demographics, and size. The code for Chanhassen was also included, because, during 2002, they enacted their own housing code and rental licensing system.

While each code is different, they do possess some similarities. All of the cities have implemented a housing code, and focus on:

- Minimum standards such as:
 - Space and occupancy (light, ventilation, heating, etc.)
 - Mechanical
 - Basic equipment and facilities (water, sinks, etc.)
- Substandard buildings and maintenance requirements
- Owner and occupant responsibilities
- Enforcement actions

The major difference between all of the codes is the use of a rental license. Plymouth, Richfield, and Chanhassen require the use of a rental license, while Edina and Eden Prairie do not. The purpose of these cities using a rental license is to protect the health, safety, and welfare of those who rent. Again, the three rental license requirements are similar and discuss:

- Application, renewals, and fees for licenses
- Maintenance standards
- Conduct on licensed premises
- Revocation and/or suspension of licenses

Richfield also has added more in-depth information on requirements for those landlords who hold provisional licenses.

There are both advantages and disadvantages to having a rental license/registration system. Initially, the creation of a rental license may add additional work for the City until the code is written, implemented, and a system is established. It may also create more work if a case is to go to criminal housing court although many times there are other steps in place to avoid this and it is used as a last resort. Having a licensing system presents several advantages, however. The first advantage to licensing is that it becomes easier for both the City and the tenants to locate the landlord. The second advantage with a license application is it alerts the City to new rental properties. Finally, a third advantage is that by having a licensing system it may create a better incentive for self-enforcement. That is, in order to collect rent you have to have a license, but in order to get and keep a license you have to make any necessary repairs.

Currently, Minnetonka does not require rental properties to be licensed, so there are three alternatives the City could consider: the first is to remain the same and not implement a housing code or rental licensing system. In the short run, this would save the City time and work associated with implementing a new code; however, tenants complaints to both the City and HOME Line will likely continue. Even with the implementation of a rental license, complaints may still come in, but the license may act as a self-enforcing tool and the prospect of losing a license or facing criminal enforcement may make the landlord resolve problems more quickly and without a call from the tenant to the City or HOME Line. The second alternative is that the City could implement a housing code without having a rental license, similar to Edina or Eden Prairie. While this will take time to create and implement, it does establish minimum requirements for housing in the City. Finally, the third alternative is to implement both a housing and rental licensing/registration system, like Plymouth, Richfield, and Chanhassen. Like the second alternative, it will require additional time by the City to create and put in place; however, by having the rental license in place it may provide the advantages previously mentioned.

Attached is a copy of the letter from HOME Line providing additional background information, as well as a chart showing the similarities and differences of the five codes more in-depth. Staff recommends the EDA hold the discussion regarding creating a housing code and a rental licensing/registration system.

MAINTENANCE CODES AND RENTAL LICENSE REQUIREMENTS

	Chanhassen	Eden Prairie	Edina	Plymouth	Richfield
Housing/ Maintenance Code	Yes	Yes	Yes	Yes	Yes
Minimum Standards for:					
-Basic Equipment & Facilities	Yes	Yes	Yes	Yes	Yes
-Light, Ventilation, Heating, etc.	Yes	Yes	Yes	Yes	Yes
General Requirements for Maintenance/	Yes	Yes	Yes	Yes	Yes
Minimum Space, Use, & Location Requirements	Yes	Yes	Yes	Yes	Yes
Responsibilities of Owners and Occupants	No	Yes	Yes	Yes	Yes
Enforcement of Housing Code	Yes	Yes	Yes	Yes	Yes
Rental License Required	Yes	No	No	Yes	Yes
Yearly License Renewal	Yes	N/A	N/A	Yes	Yes
Types of Licenses	Regular, Provisional	N/A	N/A	Regular	Regular, Provisional
Fee Required	Yes	N/A	N/A	Yes	Yes

City of Minnetonka Rental Properties

MAP #	NAME OF BUILDING	ADDRESS	NUMBER OF UNITS	YEAR BUILT
General				
15	Knollwood Oaks	10213 34th St. W.	40	1966
1	Belgrove	10100 Minnetonka Blvd.	30	1969
6	Cedar Ridge	10201 Cedar Lake Road	180	1969
25	Wilshire Woods	10925 Wayzata Boulevard	45	1973
23	Stratford Wood	18900 Stratford Road	295	1974
17	Minnetonka Heights	5809 Highway 101 S.	172	1976
14	Hunters Ridge	19000 Stratford Road	123	1979
12	Elmbrooke	5400 Smetana Drive	46	1981
4	Cedar Hills Townhomes	10800 Cedar Bend	30	1983
3	Cedar Hills East & West	11100 Cedar Hills Blvd.	274	1985
8	The Cliffs	12100 Marion Lane W.	456	1985
21	Saddlewood Park	16900 Saddlewood Trail	73	1986
2	Brier Creek	10551 Greenbrier Road	192	1986
9	Conservatory	10601 Smetana Drive	318	1986
18	Minnetonka Hills	2855 Jordan Avenue	241	1987
22	South Hampton	5445 Smetana Road	115	1987
13	The Gates at Carlson	110 Carlson Parkway	435	1987
26	Woodlands	10005 Greenbrier Drive	248	1988
20	Regency Woods	2210 Plymouth Road	282	1988
7	Chasewood Gates	5970 Chasewood Parkway	394	1988
11	Deer Ridge	5300 Nolan Drive	110	1995
19	Minnetonka Mills	11330 Minnetonka Mills Road	30	1997
10	Crown Ridge	11367 Fairfield Road	64	1997
5	Cedar Pointe Townhomes	2940 Creek Lane	152	1997
16	Minnetonka Apartments		60	2003
24	Waterstone Place		163	2003
Senior				
28	Glen Lake Landing	5416 Beacon Hill Road	97	1980
30	Ridge Point	12800 Marion Lane W.	271	1985
29	Beacon Hill Terrace	5300 Beacon Hill Road	110	1994
27	Boulevard Gardens	11333 Fairfield Road	46	1997
31	West Ridge Retirement	11201 Fairfield Road	106	1997
Assisted Living				
33	Elder Homestead	11400 4th Street N.	50	1988
29	Beacon Hill Commons	5300 Beacon Hill Road	42	1994
32	Care Free Living	14505 Minnetonka Drive	72	1996
34	Epoch Assisted Living	500 Carlson Parkway	137	1998
Disabled				
35	Excelsior Court	5125 Porter Avenue	24	1997