

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**Tuesday, April 8, 2003
6:00 PM**

****Gray's Bay Room**
Minnetonka Community Center, Upper Level**

1. CALL TO ORDER

Peter St. Peter called the meeting to order at 6:00 p.m.

2. ROLL CALL

Commissioners present: Dan Duffy, Dave Larson, Bunny Robinson, Peter St. Peter, Ken Tauer, Al Thomas, and Bob Walker.

Commissioners absent: Paula Chatterjee.

Staff present: Ron Rankin and Elise Souders.

Others present: Colleen Carey from The Cornerstone Group, Shari Bohnhoff and three residents from Cedar Ridge Condominiums, and Neil Herring.

3. APPROVE MINUTES

Tauer moved, Duffy seconded a motion to approve the minutes of the March 18, 2003 EDA meeting. All voted "yes." Motion passed.

4. STAFF REPORT

Souders reviewed the staff report items, including the Southwest Rail Study, the Glen Lake Planning Study, WHAHLT, transit items, and upcoming events.

BUSINESS ITEMS

5. DISCUSSION REGARDING DEVELOPMENT HAVING RESIDENTIAL OVER OFFICE/RETAIL.

Rankin provided background information on the topic and introduced Colleen Carey, President of The Cornerstone Group, as the guest speaker for this topic. Carey provided some history on The Cornerstone Group and mentioned that they developed the Minnetonka Mills Townhouses. She also presented their current projects, including the

Great Northern Lofts in St. Paul, Marketplace Lofts in Hopkins, and Lyndale Gateway in Richfield.

St. Peter asked if there was underground parking available for these sites. Carey answered that there was underground parking available for the condominium units and all retail parking is surface parking. In Richfield, she said, the townhouses will have individual garages.

Carey described what the typical residential units are like and said they range in size from an efficiency unit to a 2 bedroom plus den unit and the prices are from \$135,000 to \$300,000 in Hopkins and \$300,000 or less in Richfield. The retail is rented out and is approximately \$16 per square foot in Hopkins and \$30 per square foot in Richfield.

Duffy asked what residential units are being purchased first. Carey said the lower-cost housing units are selling the fastest in Hopkins, and the only remaining units to sell are those over \$275,000. The typical buyers tend to be younger singles, couples, and empty-nesters, she said.

Carey talked about the parking that is needed at these sites, and said in Hopkins they built extra spaces beyond what the city had required anticipating that people would pay to have an extra space; however, no one has bought additional stalls. She said that the actual parking ratio for the residential units was 1.3 spaces per unit.

Carey discussed the restaurants that may be located underneath the residential units. She said in Richfield the restaurants will be located in separate buildings that do not have residential units above them. In Hopkins however, that is not the case, so when it does happen, they will be very selective as to what to include because of noise, odor, and other issues that may arise. Robinson asked about the safety concerns of having restaurants underneath. Carey said there are fire sprinklers and fire walls provided, so the biggest issues are the noise and odors.

Tauer asked if local services or big box retail are interested in the retail at the Richfield site. Carey responded that unlike the big box retail located just south of the development, many local services are interested because it is a neighborhood site. Tauer also asked if the retail is rented or sold. Carey said that it is rented so that they can have more control of what goes in.

Tauer inquired what the retail does to help the site. Carey responded the only way that retail will work is if there is a good retail site to begin with. She said in Richfield retail works well on the first floor because residential units will not work, since it is located on a busy street.

Walker asked about the guidelines and if parking was a driving force. Carey responded that there are parking guidelines and that the residential units park underneath and there is surface parking available for retail parking.

St. Peter asked if there were subsidies involved and how much was required. Carey used the Richfield development as an example, and said Metropolitan Council funds were used as well as Tax Increment Financing and construction loans. She said these projects do not work without assistance through land acquisition, parking, or other means.

St. Peter inquired about the difference in acquisition costs between Hopkins and Richfield. Carey said the acquisition costs in Richfield were higher. She said the City of Hopkins had acquired the properties and sold them to The Cornerstone Group at a lower cost, which was how the city helped contribute to the project. Carey said there was going to be a difference in acquisition costs depending on the site, but the city needs to back up the development with eminent domain if necessary.

Walker asked if there were any social or neighborhood issues. Carey said that there was very little, the only issue that really came forth was the density of the development.

Duffy asked if the cities had any say on what the rental rates for the retail are. Carey said the cities do not really have any say because The Cornerstone Group does what the market allows and they do not want to limit themselves.

St. Peter inquired if there were condominium association agreements. Carey responded there are two condominium associations in each project, one retail and one residential, which are under the same management company. The residential association, Carey said, is similar to other residential associations. The reason one management company is used is so there is better coordination.

(Thomas left the meeting at this time.)

Tauer asked if there were any financing issues that arose. Carey said that there was some reluctance to fund at first because there was a general notion that the concept does not work. The concern these groups had was that people do not want to live over retail, and retailers do not want a "back" entrance.

Tauer also asked if this type of concept could be done with rental units. Carey said yes, it may not work for everyone or every site, however there is a market for it. Tauer asked if Shady Oak Road has promise for a development like this. Carey said she thought that it did, but there would have to be an "atmosphere" created.

St. Peter asked how the St. Louis Park project, Excelsior and Grand, was doing. Carey said she did not know for sure, but she had heard the retail and rental components were doing well and there is interest in the for-sale condominium units.

Larson asked how the retail works in terms of renting and contribution of profits. Carey said they charge rent by the square foot and that some may pay a percentage of the profits; however, they cannot count on this income.

St. Peter asked about the affordability of the units. Carey said in Hopkins approximately 25 percent of the units were under the \$170,000 Metropolitan Council definition of affordable. In Richfield, about 20 percent of the units were under the affordability definition, and there was also use of Minnesota Housing Finance Agency money in order to provide downpayment assistance to make some of the units affordable to the initial buyers.

Walker inquired if there was a certain traffic count that was needed in order to support the retail development. Carey said no; however, it will attract a different type of retail to the area. St. Peter said that Minnetonka Boulevard and County Road 101, Highway 7 and County Road 101, and Excelsior Boulevard in Glen Lake would have high traffic counts. Rankin said Shady Oak Road and the Glen Lake area would be similar to Lyndale in higher traffic counts. Carey responded that all of these areas would have potential; however, the question remains how do you buy out existing businesses. This, she said, is something that needs to be thought through before the project is started.

St. Peter asked if there was a minimum square footage site needed to support this type of development. Carey said no, and a project can be done on the same scale as Hopkins. Density, not site size, is the major factor, and the project usually has to be dense in order to be financially feasible.

Tauer asked if there is input from the homebuyers as to what type of retail goes in. Carey said that the homebuyers do not have input. They do however let the homebuyers know there will be retail; however, they do not note the specific retail uses.

Walker asked if there could be a mix of light office rather than retail. Carey said they considered offices in Richfield, but it didn't work at that particular site. She said that it is conceptually possible; however, homeowners like the idea of being able to walk down the stairs to the coffee shop or to a bookstore.

Carey said that if this concept was developed, that it is important that the city is able to help out, in financial and other ways.

6. FURTHER CONSIDERATION OF THE "HOUSING IMPROVEMENT AREA" APPROACH FOR BUILDING RENOVATION.

Rankin provided the background information, and stated this item was being carried over from the March EDA meeting. He followed up on each of the points that had been brought up at the previous meeting and one of the concerns lied with the number of buildings that may be requesting assistance in the future. Rankin said staff recommends the EDA not pursue the Housing Improvement Area approach at the present time.

Tauer said he thought trying to keep the units at Cedar Ridge affordable by indexing would be punishment because they are already affordable. He also said he has some concerns with the city as banker, and said he thinks this should not be pursued at the present time, but may be willing to consider it in the future.

Robinson asked if the condominiums' damage was resultant from the recent reroofing or from previous construction. Rankin said that it was from water intrusion over a length of time.

Walker said that on a project like this it needs to be done in full and not halfway.

St. Peter said the city may be a last resort, and did not believe that this project merited the city's assistance at this time. He suggested that the city put in a set of guidelines and policies so that the housing stays viable over a period of time.

Robinson asked about Hopkins policy, and St. Peter responded that Minnetonka has neither done a Housing Improvement Area or even developed a policy regarding it. Rankin added that the discussion has never come this far before with the two other groups that were originally interested in the program.

Duffy asked how many of the 2,200 units over 20 years of age are considered affordable, and that maybe the city should look at serving the affordable units first.

St. Peter said there are a number of factors to look at. He also noted Cedar Ridge has some problems, but there may be more that have not been identified, so at this time the exact investment is unknown.

Tauer said such things as retrofitting the building for sprinklers and other cost add-ons may push the home prices beyond the affordable point.

Tauer asked the Cedar Ridge representatives of the other possibilities that they had looked into. Shari Bohnhoff, President of the Cedar Ridge Condominium Association, said that they had looked into one other possibility; however, if the EDA does not decide to pursue the Housing Improvement Area concept they will look harder. Bohnhoff also said that the Association Board had approved to do a mock-up and she also described the increase in dues for the year and the special assessment that began January 2003. She talked some then about how the dues and special assessments were doing with the collection, because it appeared at the March meeting that there was concern about the bonds being paid back in a timely manor.

Walker moved, Larson seconded a motion to approve the recommendation that the EDA not pursue the Housing Improvement Area approach at the present time.

All voted "yes." Motion carried.

St. Peter suggested that staff go back and develop policy guidelines for the EDA to look at in the future in case a situation arises.

Tauer moved, Larson seconded a motion to develop guidelines for future discussions.
All voted "yes." Motion carried.

7. DISCUSSION REGARDING THE INDEXING SYSTEM USED FOR AFFORDABLE HOUSING RESALE PRICES.

Rankin reviewed the background information and said with the upcoming developments of The Sanctuary and Parkers Lake Road Condominiums that may require use of the indexing system, the indexing system needs to be revisited to make it more efficient. He said a mini-max approach had been suggested at the March EDA meeting and staff had included those numbers in the report. Rankin also pointed out that Planning Commissioner Tony Wagner mentioned the units at the Gables are selling for less than the maximum resale price that they are allowed.

Tauer asked how the maximum prices of the townhouses could go up quicker than the actual selling price. St. Peter said the maximum prices are based upon the average increase of the metropolitan area.

St. Peter said that if a new calculation is used, then it should be kept simple so that people understand how it is done

Tauer asked about the \$170,000 Metropolitan Council definition of affordability and how this number was figured out. Rankin said that the \$170,000 figure is an arbitrary number and not an average. It's based upon what's affordable to those at median income. Tauer then confirmed that the indexing is based on average increases in metropolitan area sales prices.

Walker asked how other indexing systems around the metropolitan area work. Rankin said the indexing system is not common and the indexing system that Minnetonka uses has not kept prices affordable because of the significant increases in average sales prices in recent years.

St. Peter said the mini-max approach guarantees a threshold of gain as well as not allowing the price to increase too rapidly.

Robinson asked why the indexing went from using a 7 county metropolitan area average to a 13 county metropolitan area average and if that was the case, wouldn't the average have gone down because of lower prices in the outstate area. Rankin said the Multiple Listing Service that puts together the numbers expanded their area and the reason the averages still continued to increase is because of the significant growth in these areas.

Tauer said the mini-max approach is good; however, he does not like the minimum guaranteed threshold. He said this is affordable housing to get people into an owner-occupied unit and that it shouldn't be about making a profit; therefore, he believes there should be no minimum.

Duffy agreed there should be no minimum, but to also have a floating maximum, rather than a fixed cap on the maximum. He gave the example of if the average increase in

sales prices was X percent, then perhaps the cap should be at 50 percent or 70 percent of X percent, that way there are increases; however, not as large as there would be otherwise.

Discussion followed regarding clarification of the flexible cap for the indexing system.

St. Peter said staff should take this approach and recalculate the numbers for the EDA to review again.

8. OTHER BUSINESS

Herring commended the EDA commissioners for how they handled the March meeting, and he said that the city should have a multi-faceted approach to affordable housing.

Rankin said that EDA officers are usually elected at the April meeting “President and Vice President”; however, because it was not on this month’s agenda, it will be on the May agenda. He said typically City Council members do not serve as officers.

9. ADJOURN

Larson moved, Tauer seconded a motion to adjourn the meeting. All voted “yes.”
Motion carried. The meeting adjourned at 8:10 p.m.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: May 7, 2003

SUBJECT: Election of Officers

The EDA by-laws call for the election of a President and Vice-President each year in April (in May, this year). The offices are held for one-year terms.

The current EDA President is Peter St. Peter, and the Vice-President is Dan Duffy.

By tradition, Council representatives on the EDA have not held office but there is nothing in the by-laws to prohibit them from doing so.

The Secretary to the EDA is Community Development staff, while the EDA treasurer is the city's Finance Director, who also serves as the City Treasurer.

Staff recommends the EDA take time on May 13 to elect a President and Vice-President.



TO: EDA Commissioners

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

DATE: May 7, 2003

SUBJECT: Staff Report for May 13 EDA Meeting

1. Glen Lake Planning Study

The final Glen Lake Planning Study committee meeting was held on Wednesday, April 23rd to discuss the revised concept plans. After discussing and reviewing concept plans since November, Hoisington Koegler, the consultant working with staff on the study, came to the April meeting with two revised concept plans. The only difference between the two plans was the addition of a condominium building in one plan and in the other plan there was no condominium building and the property was shown to remain single-family. At the end of the meeting, a show of hands was taken so in the minutes it could be shown which representative preferred which plan. Four representatives preferred the plan showing the condominium building, and eight representatives preferred the plan showing no condominium building. This item will be discussed in greater detail later in the meeting.

2. Minnetonka Boulevard/County Road 101

On April 24th, staff met with southeast quadrant business and property owners to discuss the city-owned 50 foot right of way that extends along the south and east sides of the quadrant. The purpose of the meeting was to discuss how this area could be improved inconjunction to the improvements being made to County Road 101 and the intersection. Several comments focused on the access issues into the southeast quadrant shown in the road plans. The preliminary layout of the County Road 101 plans shows there will be one access into the southeast quadrant from County Road 101, and it will be at where the Right of Way is at now. The comments raised on this issue included concerns on safety, lack of access, and removal of parking spaces. Additional ideas and issues were presented, and a follow-up meeting will be held again on May 16th.

3. WHAHLT

WHAHLT has recently been awarded several grants for both operating and acquisition expenses. The Family Housing Fund awarded a \$50,000 grant to WHAHLT for operating expenses. WHAHLT was also awarded \$150,000 through the Livable Communities Act Local Housing Incentives Account and also another \$25,000 from the Minnesota Housing Finance Agency for the acquisition of up to ten properties in Minnetonka. WHAHLT is also expected to receive \$200,000 of federal HOME funds from Hennepin County.

4. Updated Metro Transit Service Reductions

Staff met with Metro Transit on April 29th to discuss changes in the original service reductions proposed. The changes came based upon feedback received during the public comment period, as well as comments from the city. Those routes with changes to the original reductions include:

- *Route 9:* This route runs along Cedar Lake Road through Greenbrier and into Downtown Minneapolis. Originally, all off-peak service west to Greenbrier was to be cut; instead service will be reduced.
- *Route 612:* This route runs from Minnetonka Heights to the Hopkins Transit Station and original reductions included elimination of evening service on weekdays and all weekend service. The modified proposal now includes one evening trip on weekdays and eight hours of weekend service.

5. Making Affordable Housing Affordable Conference

On April 30th, Peter St. Peter, Dave Larson, and Elise Souders attended the “Making Affordable Housing Affordable” Conference. The conference provided three panel presentations that discussed new technology and construction techniques, case studies, and implementation and acceptance. Avi Freeman, professor at McGill University in Montreal, Canada was the keynote speaker who talked about “thinking outside of the box” to incorporate new ideas and concepts into affordable housing.

Upcoming Meetings/Events

Friday, May 16—CURA Housing Forum
“Fair Housing 35 Years Later: Reality or Illusion?”
12:00 pm—1:00 pm
University of Minnesota

Monday, May 19—Southwest Rail Study Open House
6:30 pm—8:00 pm
Kenwood Recreation Center (Minneapolis)

Wednesday, May 21—Southwest Rail Study Open House
5:00 pm—8:00 pm
Hopkins Depot Coffee House

Thursday, May 22—Southwest Rail Study Open House
4:00 pm—7:00 pm
Southwest Transit Station (Eden Prairie)

Wednesday, May 28—Sensible Land Use Coalition Program
“Transportation and the Regional Growth Dilemma”
11:30 am –2:00 pm
DoubleTree Park Place (St. Louis Park)

Tuesday, June 10—EDA Meeting
6:00 pm
Gray’s Bay Room

Attachments

- CURA Housing Forum program information
- Sensible Land Use Coalition program information
- Sun Sailor article: “EP, Hopkins light rail open houses scheduled”
- April 2003 County Road 101 reconstruction newsletter update
- “Making Affordable Housing Affordable” recommended resource list
- HousingMinnesota info sheet: “Affordable Housing is vital in preserving Minnesota’s Competitive Advantage”
- HousingMinnesota info sheet: “Affordable Housing in Minnesota”

Upcoming EDA Meetings

Updated May 7, 2003

Meeting Date All meetings at 6:00 pm unless otherwise noted	Item Description	Room/Special Notes
Tuesday, May 13	Regular EDA Meeting	Gray's Bay Room • Elections • Indexing • Minnstar Schedule • Glen Lake Concept Plans
Tuesday, June 10	Regular EDA Meeting	Gray's Bay Room
Tuesday, July 8	Regular EDA Meeting	Gray's Bay Room
Tuesday, August 12	Regular EDA Meeting	Gray's Bay Room

Items to be Scheduled

- Discuss Proactive Redevelopment
- Clover Ridge (Chaska) Tour
- Housing Improvement Area Policy



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: May 7, 2003

SUBJECT: **Electronic Agenda Packet for the EDA**

There has been recent interest from some EDA Commissioners in receiving the EDA packets electronically.

This could be done via e-mail, provided Commissioners have computers capable of downloading the packet materials. If so, Commissioners would have the options of reviewing the packet on their home computer, printing-out all or part of the agenda packet and, if using a notebook or laptop with adequate power, using your computer at the meeting to refer to the agenda packet.

At present, the city's Information Technology Division does not have the capacity to provide notebook/laptop computers to advisory boards or commissions, nor to support private computers with varying configurations.

Currently, only the City Council has computers properly configured and with wireless access to the city network for their meetings.

The Planning Commission and Park Board, like the EDA, have paper packets delivered to their homes the Friday before their meetings. Periodic e-mail updates are sent electronically, as staff does for the EDA.

If there is interest, we could e-mail some packets and continue to deliver others. Please let us know your preferences at the meeting.



TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: May 7, 2003

SUBJECT: Continued discussion of indexing resale prices for affordable housing

EDA Commissioners have taken time at the March 18 and April 8 meetings to discuss the indexing system used to set maximum resale prices for affordable housing. Copies of the April 8 staff report and meeting minutes are enclosed for reference.

While indexing has achieved part of its purpose, in preventing “windfall” gains to the initial purchasers of the affordable units, it has not been successful in keeping resale prices affordable over a period of several years. Significant increases in the metropolitan area average sales prices have driven the maximum allowable resale prices for indexed units well above the \$170,000 affordability ceiling set by the Metropolitan Council.

On April 8, the EDA discussed the “mini-max” approach that would cap the indexing at a maximum of 7% or 8%. Also discussed was the idea of using a “floating maximum”, setting a certain percentage of the average as a cap—for example, the index could use 50%, 60%, or 75% of the average annual sales increase as the cap to the index. Staff has enclosed a chart, which illustrates how this would have worked out over the past eight years.

Also enclosed is a list showing the average annual sales price increase for the metropolitan area for each year since 1975. This illustrates a broader context any changes in indexing.

Because it is impossible to predict future increases in average sales prices, staff believes the EDA should select an index maximum, or floating maximum, that seems to be the most appropriate when taking into account the history of the metropolitan average increases.

**Average Annual Sales Price
In the Twin Cities Metropolitan
Area Since 1975**

Year	Average Sales Price	Average Percent Increase
1975	\$38,095	
1976	\$41,883	9.9%
1977	\$47,943	14.4%
1978	\$57,178	19.2%
1979	\$66,417	16.1%
1980	\$74,069	11.5%
1981	\$80,238	8.3%
1982	\$82,288	2.5%
1983	\$84,953	3.2%
1984	\$85,007	0%
1985	\$87,789	3.2%
1986	\$90,319	2.8%
1987	\$95,914	6.1%
1988	\$93,977	-2.0%
1989	\$96,658	2.8%
1990	\$98,016	1.4%
1991	\$99,402	1.4%
1992	\$103,264	3.8%
1993	\$107,569	4.1%
1994	\$111,806	3.9%
1995	\$117,053	4.7%
1996	\$124,022	5.9%
1997	\$130,171	4.9%
1998	\$140,300	7.7%
1999	\$155,108	10.5%
2000	\$172,849	11.4%
2001*	\$209,710	21.3%
2002	\$221,329	5.5%

*MLS switches to using data from the 13-county metropolitan area from the 7-county metropolitan area.

EXAMPLE

As of December 31 of the year	Year	Average Sales Price of Metro	Average Metro Percent Increase	50% of Average Metro % Increase	Resale Price for Year	Resale--No Commission	Max. Resale Price (With 7% Commission)
1995	Base	\$117,053					
1996	1	\$124,022	5.95%	2.975%	1997	\$97,826	\$104,674
1997	2	\$130,171	5.61%	2.805%	1998	\$100,404	\$107,432
1998	3	\$140,300	6.62%	3.310%	1999	\$104,749	\$112,081
1999	4	\$155,108	8.13%	4.065%	2000	\$111,415	\$119,214
2000	5	\$172,849	9.53%	4.765%	2001	\$119,895	\$128,289
2001	6	\$209,710	13.19%	6.595%	2002	\$139,362	\$149,117
2002	7	\$221,329	12.72%	6.360%	2003	\$146,275	\$156,514

As of December 31 of the year	Year	Average Sales Price of Metro	Average Metro Percent Increase	60% of Average Metro % Increase	Resale Price for Year	Resale--No Commission	Max. Resale Price (With 7% Commission)
1995	Base	\$117,053					
1996	1	\$124,022	5.95%	3.570%	1997	\$98,392	\$105,279
1997	2	\$130,171	5.61%	3.366%	1998	\$101,503	\$108,608
1998	3	\$140,300	6.62%	3.972%	1999	\$106,776	\$114,250
1999	4	\$155,108	8.13%	4.878%	2000	\$114,937	\$122,982
2000	5	\$172,849	9.53%	5.718%	2001	\$125,449	\$134,231
2001	6	\$209,710	13.19%	7.914%	2002	\$150,034	\$160,536
2002	7	\$221,329	12.72%	7.632%	2003	\$158,969	\$170,097

As of December 31 of the year	Year	Average Sales Price of Metro	Average Metro Percent Increase	75% of Average Metro % Increase	Resale Price for Year	Resale--No Commission	Max. Resale Price (With 7% Commission)
1995	Base	\$117,052					
1996	1	\$124,022	5.95%	4.4625%	1997	\$99,239	\$106,186
1997	2	\$130,171	5.61%	4.2075%	1998	\$103,162	\$110,384
1998	3	\$140,300	6.62%	4.9650%	1999	\$109,864	\$117,555
1999	4	\$155,108	8.13%	6.0975%	2000	\$120,377	\$128,803
2000	5	\$172,849	9.53%	7.1475%	2001	\$134,163	\$143,555
2001	6	\$209,710	13.19%	9.8925%	2002	\$167,313	\$179,026
2002	7	\$221,329	12.72%	9.540%	2003	\$179,776	\$192,361

\$95,000 Gables

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TO: EDA Commissioners

FROM: Ron Rankin, Community Development Director

DATE: May 7, 2003

SUBJECT: **Request from Minnstar Builders, Inc. to amend the build-out schedule in the Contract for Private Redevelopment for Ridgebury/Willoughby**

This item was also discussed at the November 19, 2002 EDA meeting. Copies of the staff report and minutes from that meeting are enclosed for Commissioners' review.

The essence of the request, as shown in the enclosure marked Amended Schedule C, is to allow an additional five years to build 26 remaining C-Unit Townhomes and 28 remaining A-Unit Condominiums. All C-Units would have to be completed by January 1, 2010, and all A-Units would have to be completed by January 1, 2011.

The two questions raised at the November EDA meeting included:

- Can we assume that the Crescent Ridge office buildings can really pay off all of the TIF debt if necessary?

Answer: Yes, because the original TIF amounts, and having the district run through 2011 were based on a "worst case" scenario of TIF only coming from the minimum amount of Crescent Ridge market value agreed to with the developer.

- Isn't there an opportunity to get something in return from Minnstar if the EDA and City agree to this change?

Answer: Minnstar is now offering to have the last \$200,000 due to them in TIF principal payments escrowed pending final completion of the units. If they abandon the project prior to completion, the escrowed funds would go to the city.

As previously reported, it is expected that this TIF district, scheduled to run through 2011, will actually have all debt paid off by 2007.

The latest proposal has been reviewed with Steve Bubul, Special Counsel to the EDA, who believes it is an appropriate arrangement. Staff recommends the EDA approve the amendment as now proposed.



TO: EDA Commissioners

THROUGH: Ron Rankin, Community Development Director

FROM: Elise Souders, Community Development Coordinator

DATE: May 7, 2003

SUBJECT: Review new concept plans for future redevelopment in Glen Lake

Background

The Glen Lake Planning Study began in October 2002 with a general meeting of all neighbors to discuss the interest in conducting a study and creating concept plans of the area for future redevelopment that may occur in the area (see attached map for the area included in the study). At this initial meeting approximately fifty residents were present when Councilmember Dick Allendorf explored the idea of conducting a study with the group, and at the end of the meeting it was decided to go ahead with the planning process. At that time a consultant was hired to assist in the planning effort, and resident representatives signed up to be involved in the planning study neighborhood committee. The end product from the study is a guide that city staff can use to show developers when they come in with a plan as to what the residents would like to see for the neighborhood.

Neighborhood Committee Meetings

After the initial meeting, residents volunteered to be representatives of their neighborhood area and sit on the planning study neighborhood committee. This neighborhood committee then met monthly to give guidance and feedback to the consultants and staff about what the concept plans should look like and what should be included in them.

The first neighborhood committee meeting was held in November 2002, with a total of sixteen neighborhood representatives attending. A brief introduction about the history of the neighborhood and what the group would be accomplishing gave representatives an idea of what would be happening over

the upcoming months. Also at the November meeting, issues, neighborhood vision, and strengths of the neighborhood were discussed to find out what the group would like to see happen to the neighborhood. Some of the ideas were to improve the commercial area and walkability of the neighborhood, keep the small town feel of the area, and improve the safety for traffic and pedestrians along Stewart Lane.

The second neighborhood committee meeting was held in December. Prior to this meeting, flyers were distributed by two residents to the neighborhood stating how the planning study would result in the rezoning of certain properties for condominiums, and because of these flyers more than 50 additional residents attended the meeting. The majority of the meeting was spent with Councilmember Allendorf, the consultants, and staff answering questions and explaining the planning process.

At the January neighborhood committee meeting, three concept plans were presented based on the information gathered during the first two meetings. The three plans presented a broad range of ideas, the purpose of which was to elicit responses about what was shown. The remainder of the meeting was spent discussing the ideas and concerns that the group had. Ideas the group liked included closing Stewart Lane at Eden Prairie Road to discourage cut through traffic, the idea of having townhouses at the east end rather than offices, and keeping the Dickson Road neighborhood the same as it is today. There were also ideas that were not agreed upon by the entire group including the extension of Stewart Lane to Kinsel Road and the increase in density in some areas. The consultants then took the comments and created a composite concept plan of the ideas from each plan that were most liked.

The February meeting was a meeting for the entire neighborhood, where the concept plans were reviewed as a large group. After a brief presentation, time was given for residents to get a close up look of the plans and discuss with staff and the consultants about the plans. The residents were also given a comment sheet to fill out regarding likes and dislikes of the plans and room was also given for additional comments. There was a wide variety of comments, and there was no one plan that received more positive or negative comments than another.

From the comments that were received, a revised composite sketch was created and brought back to the neighborhood committee at their March meeting. The question at this meeting was to decide if the study should continue or not. The group discussed extensively again what they liked and did not like; however, the only issue that the group could not come to a consensus on was the condominium.

Concept Plans

After some debate as to whether the study should continue or not, a fifth and final neighborhood committee meeting was held in April. At the meeting, two concept plans were presented to the group. Both plans showed the areas where there had been consensus, and the only difference between the two was the addition of a condominium building.

Concept A: Stewart Lane at the east end would remain as it is currently; however, at the west end, Stewart Lane would be closed off at Eden Prairie Road. The intersection at Woodhill Road and Excelsior Boulevard would also remain. Starting from west to east the Dairy Queen and Mobil Gas Station (at the corner of Eden Prairie Road and Excelsior Boulevard) would remain the same. Between Stewart Lane and Excelsior Boulevard there would be an office/retail mix with one to two story buildings and parking along Excelsior Boulevard and green space on Stewart Lane. The Alano and Gold Nugget buildings would also remain the same. A commercial/retail mix was shown just east of the Gold Nugget and would be one to two stories in height, again with parking on the Excelsior Boulevard side. Townhouses were shown on the property at Kinsel Road and Excelsior Boulevard. There would be approximately fifteen townhouses, and they would be more expensive. Finally, a condominium building was shown east of Glen Lake Shores, and it would also be similar in size and character to Glen Lake Shores.

Concept B: All ideas in concept A remained the same with the exception of the condominium building, which was not depicted in this plan, and instead was shown as remaining as single-family residential.

The majority of the April meeting was spent discussing whether the condominium building should remain in the plans, and how it was going to be decided which plan would be used. Councilmember Allendorf suggested that both plans be used; however, many representatives were under the impression that they would get to vote on which plan was preferred. Eventually a vote was taken so that it could be reflected in the minutes for others to see which plan what representative preferred. With the vote, four people preferred concept A (the plan with the condominium) and eight people preferred concept B.

Key Components of the Concept Plans

Throughout the planning process there were several key issues and ideas brought up by the group that are now incorporated into the concept plans. One issue was the amount of cut through traffic along Stewart Lane, and the safety concerns associated with it. In response to this issue, the plans have shown closing Stewart Lane off at Eden Prairie Road, so that there cannot be through traffic from the west. Instead, Stewart Lane can be accessed on the west end by

a right-in and right-out along Excelsior Boulevard, and the east end will remain the same.

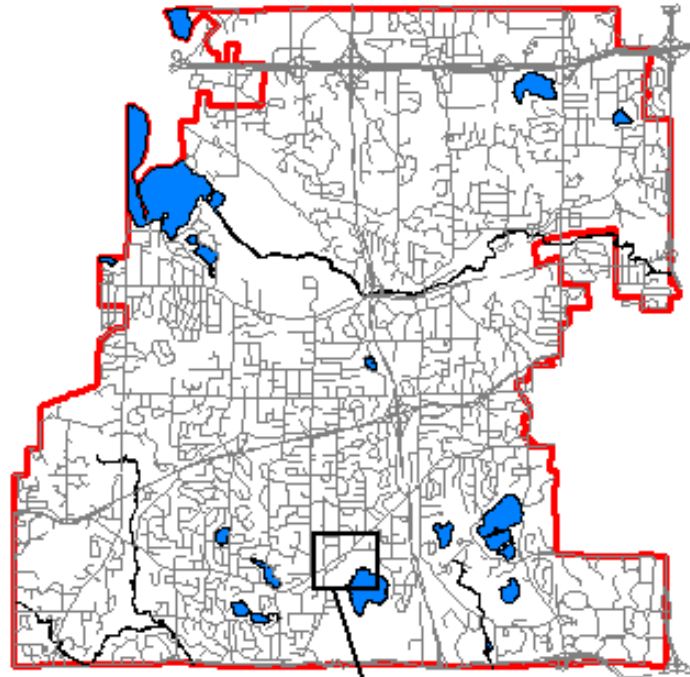
A second issue that was raised was making the north side of Stewart Lane (the back side of the commercial/mixed use buildings) more visually appealing. Neighbors expressed that they did not want to look at a backside of a building or at additional parking. In response to this, all parking was located on the Excelsior Boulevard side, and the idea would be that the buildings would have two fronts. Stewart Lane has also been shown as having additional landscaping and greenspace to make it more attractive.

Open space and tree preservation was another concern heard, and incorporated into the plans. Planning staff and the consultants visited the site numerous times to identify what trees are significant and where they are located. The location of these trees was taken into consideration when revising the concept plans, so that they would remain, and any new buildings would be built with the existing landscape.

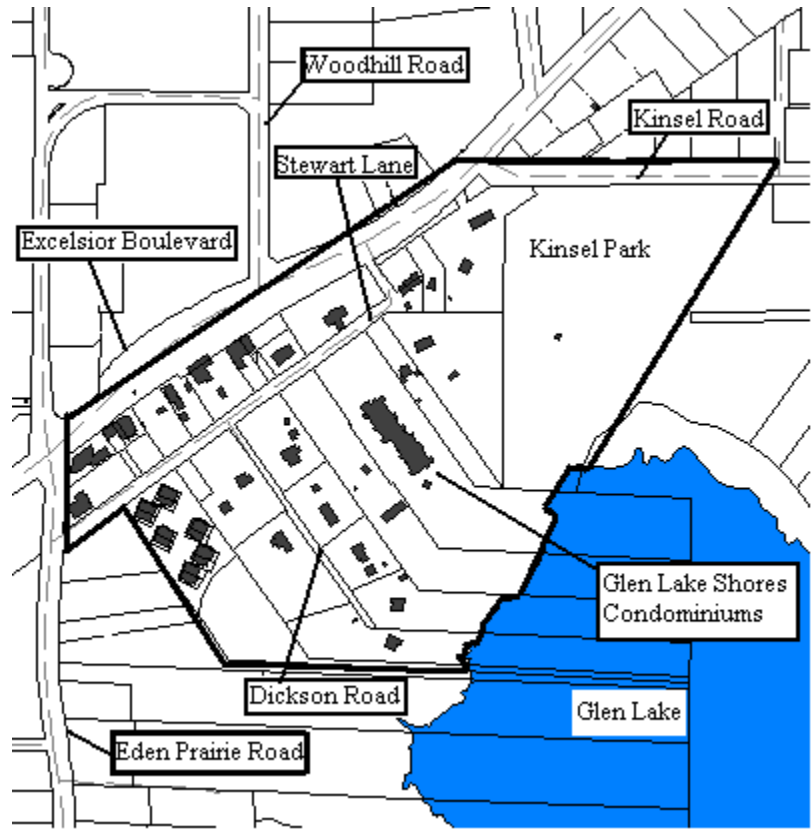
A fourth issue and component of the plans was the density of new residential buildings. There were mixed feelings among the residents regarding the amount of density that is appropriate for the area. The neighborhood committee came to the agreement that low density, higher end townhouses at the east end of the study area was appropriate. In earlier plans it had been shown that some of the buildings along Excelsior Boulevard would be a mixed use of retail and residential. However, again residents were concerned with the density, and the plans show the mixed use as an office/retail mix. As mentioned previously, the one area where there was no consensus was the addition of a condominium building similar in size to Glen Lake Shores, and located directly east of them.

The two concept plans are the culmination of six months of working with the residents of the Glen Lake neighborhood to create a vision for the future and provide city staff with a guide that can be used to show developers what the neighborhood would like to see. Staff would like to review the plans at the meeting and answer any questions that Commissioners may have.

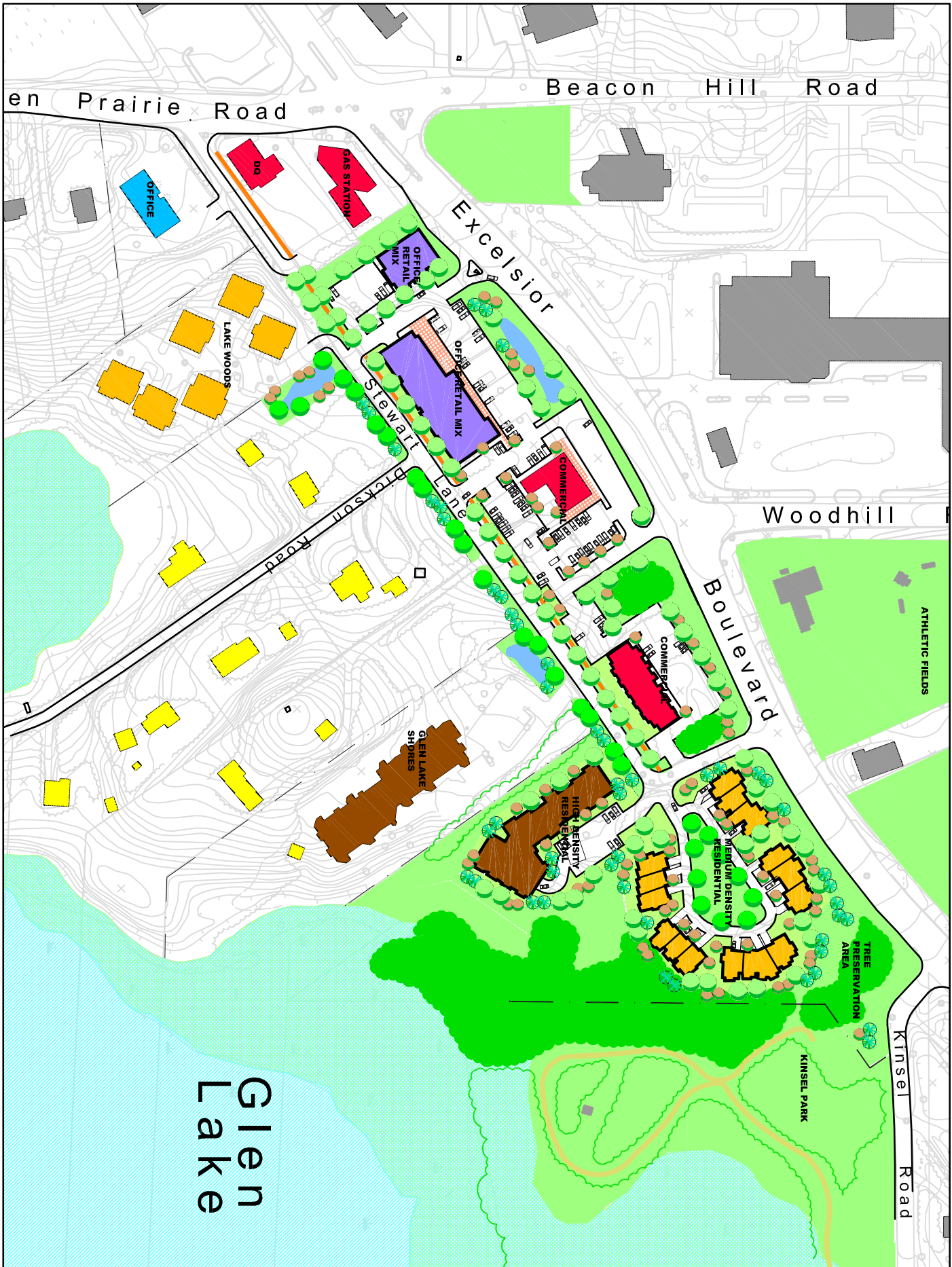
GLEN LAKE PLANNING STUDY



Glen Lake Planning Study Area

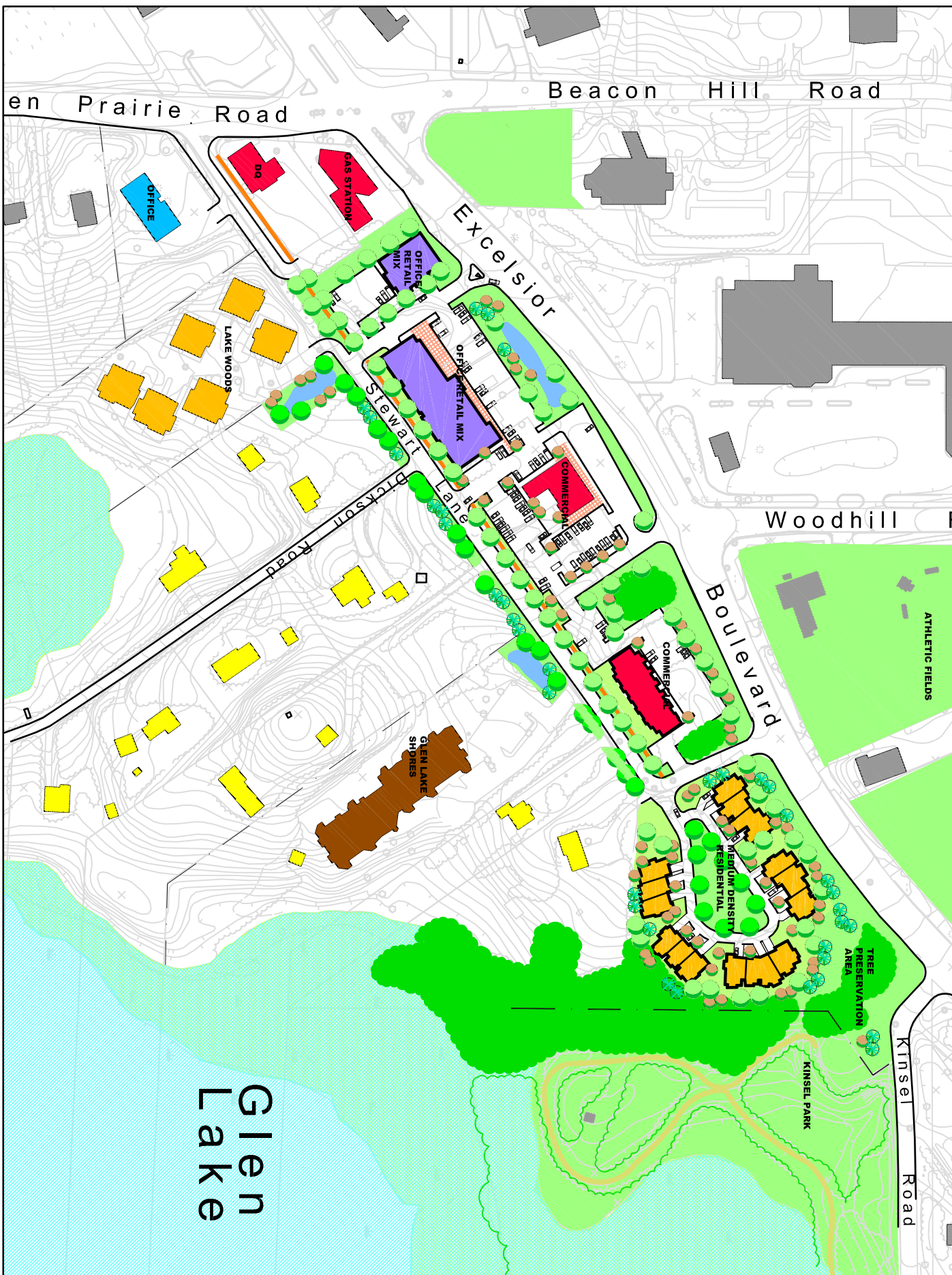


Glen Lake Neighborhood Concept Plan - A
 Minnetonka, Minnesota - April 11 2003



Hornington Koepf Group Inc.
 121 North 1st Street, Suite 100
 Minnetonka, MN 55345

Glen Lake Neighborhood Concept Plan - B
Minnetonka, Minnesota - April 11 2003



Scale 1" = 200'



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