

**Minnetonka Economic Development Authority
Meeting Minutes**

**November 18, 2003
6:00 P.M.**

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

1. CALL TO ORDER

EDA Vice-President Dan Duffy called the meeting to order at 6:00 p.m.

2. ROLL CALL

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

Staff present: Ron Rankin and Elise Souders.

Others present: Winnie White Scherber and Neil Hering.

3. APPROVE MINUTES

St. Peter moved, Tauer seconded a motion to approve the minutes of the September 16, 2003 EDA meeting. All voted yes. Motion passed.

4. STAFF REPORT

Souders reviewed the staff report items, including Crown Ridge, Minnetonka Heights, Minnetonka Boulevard/County Road 101, Southwest Rail Study, The Sanctuary redevelopment plan, 2030 Framework, Dial-a-Ride, WHAHLT, and upcoming events. Rankin mentioned the I-494 construction and the improvements for the Baker Road and Excelsior Boulevard intersection. Commissioners decided the annual dinner would be either December 9th or January 6th, and staff would send out an email to finalize details.

BUSINESS ITEMS

5. DISCUSSION REGARDING DENSITY AND PUBLIC INVOLVEMENT—FOLLOW-UP FROM JUNE 10TH MEETING REGARDING PROACTIVE REDEVELOPMENT.

Rankin gave an overview of the item and said this topic was timely with the recent discussions on The Sanctuary and Glen Lake. He reviewed the questions for discussion and also mentioned guest speakers and presenters could be brought in. Souders reviewed the attachments and highlighted information included in the report.

Tauer asked for clarification on the boundaries of the Excelsior and Grand project in St. Louis Park. He said he was impressed by the size of the entire redevelopment area, and asked if the city had encountered controversy. Rankin replied because the city had conducted a visioning session there was not a lot of controversy; however, not everyone was happy with it.

Tauer said visioning may work because it allows people to see what the community wants rather than only their wants. Duffy said the St. Louis Park visioning process included businesses and was long.

St. Peter mentioned in St. Louis Park, there was some controversy because a lot of the previous development contained affordable, multi-family housing. He questioned what the cost to the taxpayers was for the development. Tauer asked what the major source of funding for the St. Louis Park project was. St. Peter said it came from tax increment financing and brownfields.

Larson asked if Excelsior and Grand included Miracle Mile shopping center. He said the Glen Lake and Minnetonka Boulevard/County Road 101 areas seem ideal for doing similar projects. Larson raised the question of how one gets from thinking about a project to implementation. Tauer replied it would take visioning first and then involvement with a developer.

Tauer thought the mood of the city for the Minnetonka Boulevard/County Road 101 area was to preserve rather than redevelop. Thomas mentioned there had been a proposal for housing over retail in the area. Discussion followed on what that proposal entailed.

Thomas asked if there were any incentives for business and property owners at Minnetonka Boulevard/County Road 101 to redo their storefronts so there is uniformity. Rankin replied that informal, staff level conversations have centered on seed money and more favorable loans. Thomas thought if a few businesses would redo their storefronts, more may follow. Rankin replied there has been growing interest by business and property owners at Minnetonka Boulevard/County Road 101 to improve the area and potentially redo their storefronts. St. Peter said nothing should be started until after the roadway improvements are finished because of the potential loss of business and affects to the building.

Duffy discussed how the intersection area could be uniform by creating a master plan for the area. Tauer also mentioned that it could be incorporated into the guide plan. St. Peter suggested design requirements could be made a condition of receiving a loan.

St. Peter said one of the challenges for the Marketplace Lofts in Hopkins has been filling the retail. Larson commented the association fees for these types of developments are high. Tauer also felt the lack of business in downtown Hopkins may be hurting the project as well.

Tauer asked how The Cornerstone Group's project in Richfield was coming. St. Peter replied there has been interest from big box businesses in filling the retail. Tauer said the rent that will be charged is too high for smaller businesses in the area now to stay.

Duffy said if a residential over retail development was going to occur at Minnetonka Boulevard/County Road 101, it would need to be on a smaller scale because of the boundaries of the area. Tauer said by approving The Sanctuary development, it will now limit the boundaries

on the north side. St. Peter thought the two areas with the most potential, of the ones identified in Comprehensive Plan for redevelopment, were Glen Lake and the Shady Oak Road area.

Tauer inquired about the timeline for the Shady Oak Road roadway improvements. Rankin discussed the timeline and mentioned if both Minnetonka and Hopkins were interested then the timeline could possibly be moved up. Tauer said if redevelopment was to occur in the area, it could be a long process and should be started early. Rankin mentioned staff had met with Hopkins city staff and there was interest in planning the area.

Robinson asked for clarification on the boundaries of the Shady Oak Road area. St. Peter said the would be good for small, traditional businesses, and in the St. Louis Park redevelopment contract they wrote in what businesses they would like to see incorporated. Tauer said it should list the types of businesses, not the names, and specify the square footage of the buildings.

Robinson compared St. Louis Park and Minnetonka, and asked how much of an influence a big business, such as Park Nicollet, can have on a proposal, mentioning that in the areas Minnetonka is looking at doing redevelopment there are no large players like this. Rankin said the Excelsior and Grand project and community visioning did not start happening until after Park Nicollet put together their expansion plans. St. Peter also added Park Nicollet was not directly involved in the planning process.

Walker asked what potential developers think of the Shady Oak Road area. Rankin said in the meeting with one potential developer there could be a three to four story building; however, the area contains such constraints as small lot depth and wetlands. St. Peter said if there was any development it would need to be done as all or nothing, and could not be done piecemeal.

Duffy mentioned the discussion in June was to talk about how proactive the city should be in initiating redevelopment. He questioned the group about the next steps and whether a task force should be formed to look at redevelopment areas and work with business owners.

Tauer said the EDA had done some of this in 2002 by visiting potential sites; however, there were few areas besides Glen Lake and Shady Oak Road with magnitude, plus a task force would need to be supported by the council. Thomas said instead of creating a task force, discussions should come from the EDA, rather than any one Councilmember. He mentioned it could be similar to the Park Board's park renewal plan, and should be done early to learn the barriers.

Duffy agreed it was a good idea for the EDA to be involved rather than the Council. Discussion followed on how the EDA could be involved and how it could be set up.

St. Peter said before starting Hennepin County should be contacted to find out if they plan on purchasing any parcels in the area. Thomas said the initiative should start small. Discussion followed on how proactive the EDA should be.

Rankin said in other cities where visioning and redevelopment have occurred, it took interest from the residents because areas had gotten so bad before anything started. He said this differs in Minnetonka because residents are happy and there is not the community concern. Thomas said with The Sanctuary development the city had a plan and the residents had a different plan. Tauer also said there is no one area in the city that is run down and that could create challenges.

Walker said the turnover in population in the future may demand a more sophisticated type of development. The community right now he said is passive and they do not know what needs to happen before things get bad. Walker said the EDA should plan for the future and this point should be made clear. St. Peter also mentioned it is an educational process and it should happen before things get bad as Rankin had said before. By going in, St. Peter said, and meeting with residents it will help to identify problems and barriers that may be present in the neighborhood.

Thomas said by facilitating this sort of discussion there will be a lot of opinions and residents will want to be heard out. He said a small, trial group should be done first to see if it works.

Robinson said it would make sense to focus on Shady Oak Road because it is a larger commercial area. She felt it might be a less emotional subject with commercial than residential.

St. Peter said Hennepin County should be contacted to see if there are any properties they are considering purchasing in the area. Duffy also said finding out the plans for potential roadway improvements from the County will be helpful as well.

Larson said business owners want more business, so they may be willing to make improvements if it will bring in new business. He felt the EDA should take a more proactive role.

Thomas said a point will be to make sure it does not seem like the city has an agenda and that the point of meeting is to collect information. St. Peter asked what area should be focused on in Glen Lake. Thomas said that it should be on the commercial only.

Duffy said it sounded like the group wanted to be more proactive and that areas should be identified, and before meeting with them send out an agenda for the discussion session. Thomas also mentioned bulleted discussion points should also be sent out with the agenda.

St. Peter said before this gets too far, it would be helpful to find out the long-term agenda by Hennepin County, the City Engineer, and others.

Robinson mentioned it is important to let people know this process takes time and helping them understand this may help with acceptance. Tauer also said though some people may not become involved because they are not visionaries.

Walker mentioned it would be helpful to have an outside resource help create a method/plan to lead a discussion such as this. Rankin said experts can be brought in to talk to the EDA.

Tauer said commercial owners may raise their expectations that they receive something in return by participating.

St. Peter also suggested that Minnetonka Heights be looked at as another area.

6. ADJOURN

Tauer moved, Robinson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 8:00 p.m.