

**Minnetonka Economic Development Authority  
Meeting Minutes**

**Tuesday, September 21, 2004  
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 6:05 p.m.

**2. ROLL CALL.**

EDA Commissioners present: Paula Chatterjee, Dan Duffy, Dave Larson, Bunny Robinson, Peter St. Peter, Al Thomas, and Tony Wagner (arrived at 6:20pm).

EDA Commissioners absent: Bob Walker.

Staff present: Ron Rankin, Geoff Olson, and Elise Souders.

Others present: Neil Hering.

**3. APPROVE MINUTES.**

Larson moved, Duffy seconded a motion to approve the minutes of the August 10, 2004 EDA meeting. All voted yes. Motion passed.

**BUSINESS ITEMS**

**4. PRESENTATION BY GEOFF OLSON, MINNETONKA PLANNING DIRECTOR,  
ON THE COMPREHENSIVE PLAN.**

Rankin introduced Olson and explained that Olson would be talking about the Comprehensive Plan as well as sites identified in the Comprehensive Plan that may be suitable to be regulated for housing and redevelopment opportunities.

Olson distributed handouts and began by explaining what the Comprehensive Plan is and how it was written and adopted. He explained the land use plan and its purpose as a guide plan for the development/redevelopment of land within the city. Olson also described there are criteria that need to be met when a guide plan change is requested, one of which is the inclusion of affordable housing.

Olson said one of the issues the Comprehensive Plan committee faced during the latest revision was how to meet the housing needs and goals of the city. He said many sites for increased density were identified; however, several of the sites were dropped. Olson said the question, which still remains, is whether there is enough land for additional housing.

Duffy asked if the Metropolitan Council reviewed the Comprehensive Plan once it was complete. Olson replied that the Metropolitan Council did comment on the plan from a regional perspective, saying that Minnetonka's plan was a model.

Olson said the challenge for affordable housing is the lack of developable sites in the city as well as the high land prices.

St. Peter asked if Olson had any numbers from developers comparing land values in Minnetonka to other areas in the cities. Olson said for the same lot in Roseville it would be about \$40,000 less. St. Peter said land prices seemed comparable throughout the west metro unless beyond the MUSA line.

Olson explained the density designations and said possibly something else the EDA could look at for the next Comprehensive Plan update is changing how many units/acre is under each classification. St. Peter said a rationale for not changing it previously is that bonus density credits could be given if a development included affordable housing.

Olson said density is a subjective decision, and in Minnetonka it can be negotiated if there are factors such as affordable housing or environmental protection. St. Peter said the James Cargill site was a good example how negotiation was used.

Olson explained the city has not historically used condemnation, and instead relies on developers to work with homeowners. He said an example of when the city may use it is if there is a holdout by a homeowner that prevents the project from moving forward.

Olson went through the listing of potential sites for increased density or redevelopment.

Rankin reviewed the latest regarding the Shady Oak Road upgrades, from Excelsior Boulevard to Highway 7. He said the county has hired a consultant to look at possible redevelopment areas in the corridor.

Robinson clarified that the roadway will change from two lanes to four lanes. Rankin said the question with this project will be how the four lane roadway works, how it is placed, and where redevelopment opportunities are at. He said as the project continues, more information and updates will be brought back to the EDA.

Olson said it seems that each year the city gets a little more proactive, but it is not as aggressive as other cities. Duffy asked if there was really a need to be more aggressive when developers are still coming in. Olson said developers are coming in, but usually just one out of every ten has a serious project.

Rankin said with some areas, such as Northridge, Wilshire, and single-family homes with small lots, it is tough to make redevelopment financially feasible. St. Peter said an example was the Sunset Ridge luxury townhouses that were approved next to the RidgePointe apartments.

Olson suggested the EDA look both long- and short-term. He said for long-term it could mean a change in strategies, and in the short-term it could mean specific parcels to reguide.

Rankin said the EDA did some work based on the Comprehensive Plan and Housing Needs Study in 2002 looking at particular sites that would be suitable for affordable housing. He said developers typically come in looking to develop housing, and want the city to help facilitate finding properties.

St. Peter said St. Louis Park and Edina are examples of how two cities reacted differently to developers, and how their housing stock is different now because of it. He said Edina was more proactive and St. Louis Park was more reactive until the Excelsior and Grand project. Rankin said Edina primarily developed senior housing. St. Peter said by developing more senior housing it moves seniors out of the single-family homes and frees them up for new households to move into.

He also said that along I-394 developers are buying up single-family lots and putting up McMansions. He asked if this was a trend seen elsewhere throughout the city. Rankin said if developers can get enough land then they may subdivide similar to the CoPar development. St. Peter said a similar thing happened in St. Louis Park where there were small redevelopment sites throughout the city, but this created a problem when the city wanted to do a larger redevelopment area because these homes were in the way. He said the EDA should look at the big picture.

Olson said throughout the city, what is happening is that the smaller, more affordable units are being redeveloped or they are being added onto, making them no longer affordable.

Duffy said what he has heard is that most of the time people realize that density is going to happen and so they are more accepting of it, up to a certain point.

Wagner asked if there are any existing commercial sites that may be suitable for a mixed-use development. St. Peter replied the K-mart site is one.

Rankin said the EDA's discussion with Colleen Carey is that the retail is the key component in the housing over retail. He said Carey's suggestions were for the Glen

Lake or Shady Oak Road areas. St. Peter added the Excelsior and Grand project, as well as the Marketplace Lofts project have had a hard time filling their retail space.

Wagner suggested the EDA look at mixed-use sites as well. St. Peter said that in developing these types of projects that some city subsidy may be necessary, as well as having the city be proactive because of the fragmented ownership. He said a problem may be in keeping the local businesses there because the rents may increase so much that they cannot affordable to stay there.

Thomas said there are commercial centers where there needs to be updating. He said the city should do a similar initiative to Plymouth where commercial centers in need of updating are identified. Rankin said land values, and the lack of incentives to update the buildings, keep owners from doing that on their own.

St. Peter thanked Olson for attending the meeting and said if there were any new updates the EDA would be happy to hear about them.

## **5. STAFF REPORT.**

Souders reviewed the staff report items, including: a Crown Ridge update, follow-up to the August 10 EDA Meeting, economic development activities in other communities, the 2030 Transportation Policy Plan, the open house, and Deephaven Cove, as well as upcoming events and meetings.

St. Peter suggested that Crown Ridge work with churches to market their building.

Relating to the economic development activities, St. Peter said it was important to preserve small businesses. Thomas suggested that the EDA should host one meeting a year and invite the business community to have a meet and greet with the EDA and city staff.

Thomas pointed out that there are a lot of cities that use levies to get money for affordable housing, and Minnetonka is not among them.

## **6. OTHER BUSINESSES.**

The next regular EDA meeting was announced as Tuesday, October 12. It was decided that because at least two people would be gone for the meeting that the continued discussion on affordable housing would move to the November 9 meeting.

## **7. ADJOURN**

Thomas moved, Larson seconded a motion to adjourn the meeting. All voted yes.  
Motion passed. The meeting adjourned at 8:06 p.m.